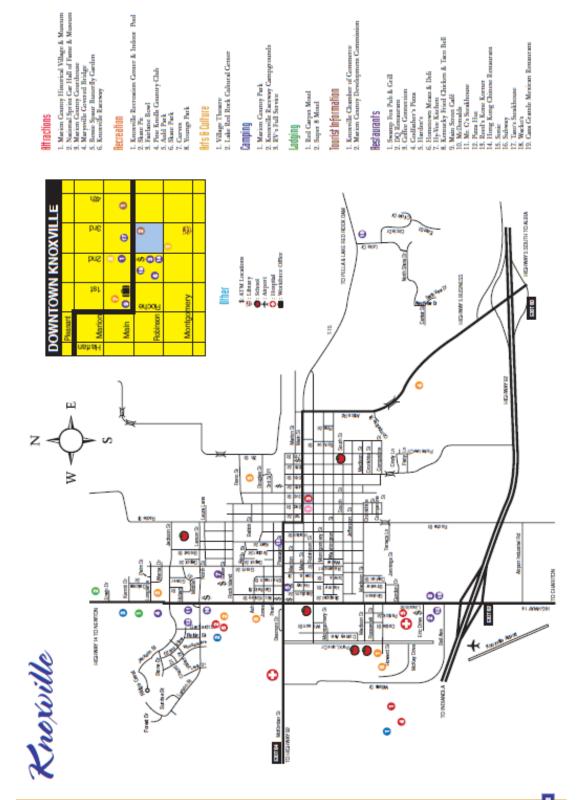


Fiscal Year 2015-2016
Annual Budget Document



## **City Council**

Knoxville is run by a Council-Manager form of government headed by a Mayor. The mayor is elected to 2-year terms. Brian Hatch, a Knoxville native, is the city's 31<sup>st</sup> mayor. Council members are elected to 4-year terms with staggered election years. A City Manager and City Clerk are appointed by Council and serve at the pleasure of the Council.



**Mayor Brian Hatch** 



Dawn Allspach-Klein



Carolyn Formanek, Mayor Pro-Tem



**Dave Roozeboom** 



**Tim Pitt** 



**April Verwers** 

Asst. City Manager
Aaron Adams

City Administration
City Manager
Harold Stewart

City Clerk Heather Ussery

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To the Honorable Mayor and City Council Members,

I am pleased to submit to you the City of Knoxville's operating and capital budget for the 2015-16 fiscal year. Adopting a budget is one of the most important functions that the City Council prepares because it identifies the services to be provided and the mechanisms that finance those services. The City of Knoxville's budget is intended to explain in simple terms the funding of critical city operations. The intention of the document is to provide transparency to City Council and citizens as Knoxville proceeds through the coming fiscal year. It establishes priorities giving staff direction to achieve goals set by City Council.

While developing this budget, City administration aimed to make conservative assumptions and include contingencies for unexpected expenditures, without changing the level of service the City provides. Any alterations to this budget will be disclosed to City Council and the general public for review in a public meeting, in accordance with applicable state law.

Each year as the budget season begins City Council sets out defined goals and priorities for staff to follow during the budget process. With these goals in mind staff begins to determine funds available to allocate towards these directives while also keeping the Council's guiding principles in mind.

### Staff Guiding Principles

- Balance Budget by Using Minimal Utility Franchise Fees
- Only Commit LOST Revenues for Downtown Streetscape, Equipment Replacement and one time or short term projects (doesn't support operational costs)
- Meet Council Priorities
- Add \$100,000 to Reserves
- No Increase to Mill Levy
- No Increase to Sewer Rates
- Wage Increases: 3% Non-Union, 3% Union

#### **Community Survey**

For the FY 2015 budget year, City Council determined that a community survey would be a beneficial communication tool between City Hall and the citizens of Knoxville. The survey was administered in Fall 2014, and results were reported in January 2015. The results illustrated for Council and Staff the concerns and satisfactions citizens had with the community, and this information was taken into account as Council set their budget priorities for FY 2016.

#### **Council Priorities**

Priority 1- Roads (determined by results of community survey)

- \$3.5 Million budgeted for road improvements (STP funds will be used for a portion)
- Park Lane Progress
- **Priority 2** Walking/Bike Trails (determined by result of community survey)
  - Approximately \$250,000 in reserves, additional funding as a bond issue and grant funding
- **Priority 3** Broadband/Internet
  - o Planning and discussion phase this year, no money budgeted
- **Priority 4** Housing Growth
  - No funds budgeted this year, though there are monies set aside from previous fiscal year that can potentially be used; Tax Increment Financing/Tax Abatement will be the primary funding mechanisms
- **Priority 5** Recreation Center Expansion
  - Bond issue for the Fall 2015 ballot, no other funding budgeted
- **Priority 6** Sidewalks
  - \$130,000 in Local Option Sales Tax (LOST) funding budgeted

### **Service Level Changes**

The City of Knoxville has worked hard to ensure service levels do not decrease. Over the last few years this has required staff to find more efficient ways of providing services, while curbing non-essential services and operations. In recent years, the City has been scaling back expenditures due to revenues growing more slowly than cost of service. In addition, the City has been preparing for a decrease of property tax revenues due to the legislative rollbacks on commercial, industrial and multi-family properties. In the FY 2016 budget, the City reached a point that any future significant declines in revenue or increases in expenditures would result in cuts in services or personnel. Balancing efforts in this budget were focused on one-time expenses vs. ongoing operations.

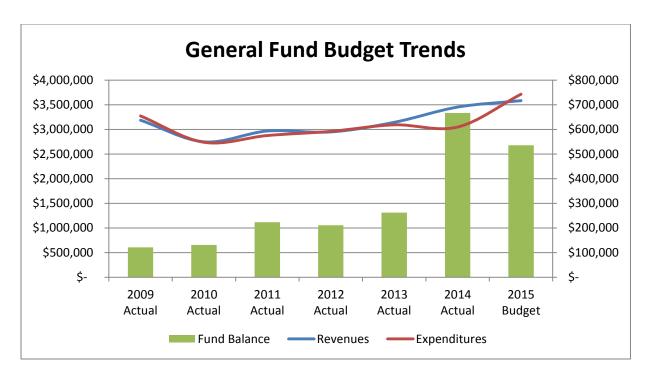
Some of the key factors that guided the development of the FY 2016 budget are:

- **Healthcare** 19 % increase in healthcare plan costs. Partially self-funded, the City experienced a significant increase to premiums for the first time in several years due to a high claims year.
- Capital Improvements It is anticipated that FY 2016 will be the initial year of an aggressive street rehabilitation program. Over the course of this 10-year program, the City plans to spend approximately \$15 million.
- Property Tax Levy Increase Due to the increase in healthcare costs and the legislative impact of the property tax rollback, the City increased the property tax mill levy by a full point.
- Reserves In spite of an increase in expenditures, the City anticipates adding to general fund reserves. In contrast, due to healthy reserves in the sewer fund, the City was able to achieve savings through a bond refunding by using reserves to pay down principal on existing debt.

- **Service Level Assumption** In spite of the pressure changes explained above, the City anticipates no significant changes to service levels.
- **Unfunded Mandates** Through federal regulation and enforcement by state agencies, the City's sewer operations have incurred additional expenses for compliance.
- Economic Development Strategies Economic development is a high priority for Knoxville City Council. To support this role, Council approved a three-year contribution to help re-establish the Knoxville Economic Development Corporation (KEDC). KEDC has goals for both housing and business development. Due to the partnership with KEDC, the City anticipates moderate population growth, ceasing the recent trend of population decline.

During FY 2015, the City of Knoxville received its first ever results from a community survey. Priorities identified from this survey are found throughout the FY 2016 budget. City Council and staff have worked collaboratively on this budget, seeking to address community concerns and improve public services. The following have been significant factors in the development of this budget:

- Increased service in response to citizen input Data from the community survey has helped staff and Council prioritize and increase resources in areas of concern for the public. Survey feedback clarified the community's top priority is improving the condition and maintenance of City streets.
- Additional public priorities Other priorities identified in the survey include construction of new bike trails, sidewalk improvements, improved code enforcement, and upgrades to City parks.
- Slow revenue growth and growing costs City revenues and the economy in general have continued the recovery of the last few years and continue to trend with a slight positive growth. Two specific concerns with regards to cost growth are a budgeted 19% upswing in the City's self-funded portion of employee health insurance, and an increase in fees for contracted dispatch services. Despite these significant cost impacts, the City still achieved an 8% reduction in the overall budgeted expenditures.
- **Legislative changes** Rollbacks on commercial, industrial and multi-family residential property taxes have had an impact on revenues that is anticipated to continue.
- **Utility Franchise Fee** In anticipation of the property tax rollbacks the City implemented the Utility Franchise Fee to offset lost revenues.



Due to the factors stated above, the City has had to focus on the long term fiscal health of the organization. Like many communities, Knoxville's revenues have not rebounded as quickly as they were lost through the recession. Slow and steady growth has helped the City provide critical services, but increases in the cost of providing these services continue to impact the City. Several budget years of successfully finding improved efficiencies has resulted in less opportunity to implement significant cost saving measures in current and future budget years. Civic engagement, Council prioritization, and the community survey have become increasingly important tools to the organization in determining the allocation of such limited funds.

A focus on economic and housing developments in the City of Knoxville was the top priority of FY 2015. This focus continues into FY 2016. Other FY 2015 priorities have not returned in FY 2016, and included:

- Strengthening Public Safety
- Downtown Vitality
- Community Survey

**Strengthening Public Safety** –Additional resources, particularly in Fire and Rescue, have improved equipment and staffing in FY 2015. The City will continue to focus resources and efforts on improving public safety, though it was not singled out as a priority in FY 2016.

**Downtown Vitality** – The City's multi-year Streetscape project was also identified as a FY 2016 priority. Work on the first phase of the project is scheduled to be completed in the summer of 2015. When completed, the project will have successfully updated Knoxville's downtown square both functionally and aesthetically. The main purpose for this project was the much-needed replacement of rapidly deteriorating underground infrastructure while also making downtown more pedestrian-friendly and attractive to visitors.

**Community Survey** – As mentioned above, during FY 2015 the City commissioned a detailed community survey as a citizen engagement tool. Questions were designed to provide feedback on public perception, city services, and the community as a whole. The survey was not identified as a priority in FY 2016, as it is the City's intention to make the survey biennial event and a standard part of City operations. While the survey itself will likely not be identified as a priority in subsequent years, its results are an important part of the 2016 priorities. Future surveys are expected to play a large part in upcoming budget years.

Aside from the continued focus on economic and housing development, the following new priorities have been added for FY 2016:

- Roads
- Walking and Bike Trails
- Broadband/Internet
- Recreation Center Expansion
- Sidewalks

**Roads** – The results of a pavement indexing study combined with community survey results make roads the clear top priority of FY 2016. The City is working with consulting engineers to produce a ten year plan for improving the City's road infrastructure. City staff anticipates this will remain a budget priority in future fiscal years. Through the combined use of intergovernmental and strategic use of debt funding the City anticipates no impact to the property tax levy.

**Walking and Bike Trails** – Trails are another priority added to the FY 2016 budget and identified as a key quality of life feature by Knoxville residents. Construction of trails will be contingent on the City's ability to fund such a project. To that end, the City will be putting a bond referendum on the November ballot related to trail funding. The City will continue the Master Plan process it began in FY 2015, part of which will be identifying and applying for grant opportunities, with anticipation of using a successful bond referendum for a local match.

**Broadband/Internet** – Providing affordable, high quality internet access to the community is another of the Council's FY 2016 priorities. No funds have been budgeted for this project, however, City staff is taking the first steps in the process through researching and attending initial meetings with local providers to develop recommendations for future budget years.

Recreation Center Expansion – Like trails mentioned above, Knoxville's Recreation Center is a popular community asset as measured both by the community survey and through its membership. It is also similar to the trails project in that the expansion will require bond funding to be feasible for the City. The expansion plan is multi-phased, though the City will initially be focusing on the first phase. This project would expand the cardio and the weight rooms. It would also include a remodel of the locker rooms, including the addition of a family restroom where staff offices are currently located. A new staff area would be built in a more central location to provide ease-of-access for patrons.

**Sidewalks** – Previous City Councils implemented a plan for the City to replace deteriorating sidewalks and construct new sidewalks where there were none in Knoxville. Local Option Sales

Tax funds have been allocated to finish the project within the next two fiscal years, after which time full responsibility for sidewalk construction and maintenance will return to the property owner.

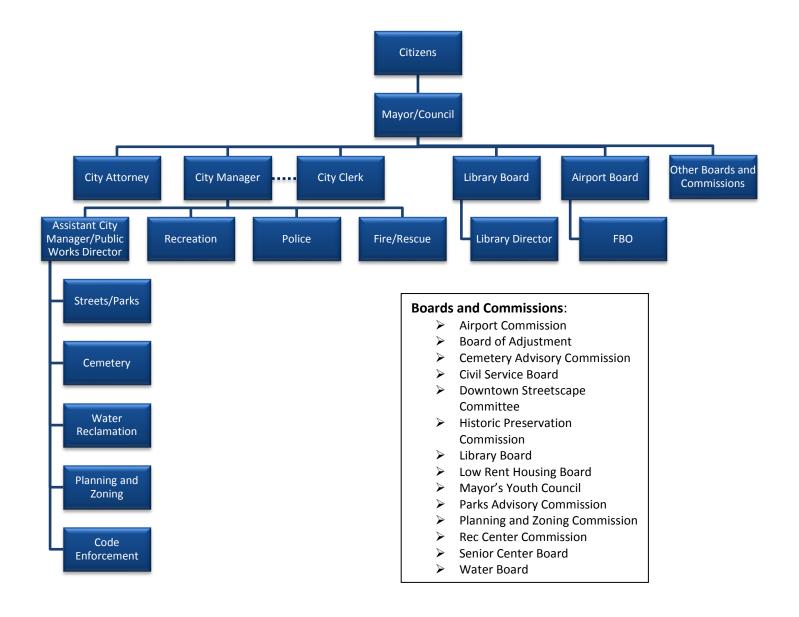
This budget document reflects the City of Knoxville's tireless focus on providing superior services in a fiscally responsible manner. City administration and department directors have come together to create an economically sound budget aimed at making Knoxville competitive in the region. The City has been diligently increasing its reserve fund to a responsible level for unexpected events, and creating efficiencies within operations and management.

I would like to end by thanking City Council for their dedication to the citizens Knoxville, to the department directors who brought forth budgets that maximized the effectiveness of allocated funds in line with Council priorities, and to the City staff who put in countless hours preparing this budget document.

Sincerely,

Harold Stewart City Manager

# **Organizational Chart and Department/Fund Matrix**



			BL	<b>BUDGET PROGRAM</b>					
			Culture/	Community & Economic	General	Debt	Business Type	Capital	Non
FUND	Public Safety	Public Works	Recreation	Development	Government	Service	Activities/Enterprise	Projects	Program
General:									
General	<b>&gt;</b>				>				
Hotel/Motel Tax				>					
Utility Franchise Fees				>	>				
Special Revenue:									
Cemetery Perpetual Fund		>							
Economic Development				>					
Employee Benefits Levy				>					>
Fire Memorial	<b>✓</b>								
Library Services Levy	<b>~</b>		>						
LOST			>					>	
Polize Seizure	>								
Road Use Tax		<b>&gt;</b>							
TIF				>					
Enterprise:									
Airport							<b>✓</b>		
Sewer		~					✓		
Debt Service						^			
Capital Projects								>	

### **Financial Policies**

The City of Knoxville observes a set of financial goals and policies to guide both the annual budget process, and to maintain long term stability. These policies fall into the three categories of Financial Planning Policies, Revenue Policies, and Expenditure Policies.

### **Financial Planning Policies**

- 1. Each year the City of Knoxville will produce a balanced budget meeting with all state statutes. The annual budget will be considered balanced when revenues are collected sufficient to cover the City's expenditures.
- A reserve of between 10-15% of budgeted operational expenditures will be maintained in the City's general fund to ensure quality and continuity in day to day operations during all economic conditions. If reserves drop below this level, the City shall set a portion of revenues aside each year until this level is reached.
- 3. A reserve of 20-25% of budgeted operational expenditures will be maintained in the City's sewer fund to ensure quality and continuity in day to day operations during all economic conditions.
- 4. An annual audit will performed by an independent public accounting firm.
- 5. The City of Knoxville utilizes a cash basis of accounting for budgeting and for its audited financial statements. This means that for both budgeting and accounting purposes revenues and expenditures are recorded at the time cash is either received or paid.

#### **Revenue Policies**

- Revenues will be forecast for each budget year and a minimum of the subsequent two years. All forecasts will be monitored and adjusted as needed based on collections and economic conditions.
- To increase its economic resiliency, to the extent possible, the City will diversify its
  revenues. Diversification and resiliency will be accomplished by utilizing appropriate
  sources such as local option sales tax and utility franchise fees, and through community
  and economic development.
- Property tax and the City's total levy will be reviewed annually as part of budget process.
   Whenever possible the budget will be balanced without an increase to the levy, keeping taxes low and decreasing the City's reliance on property tax.
- 4. Fees and charges for service will be reviewed annually and adjusted as appropriate.
- 5. The Recreation Center will have the goal of revenue collections of greater than 50 percent of its costs.

### **Expenditure Policies**

- 1. Amendments in the budget will be kept to a minimum and will only be used under the following circumstances:
  - a. Emergency situations
  - b. Contingencies

- c. Additional expenditures that are offset by a revenue of equal or greater amount
- d. Carry-over funds budgeted in one fiscal year, but not used until the next fiscal year
- 2. Vehicles and large equipment purchases will be made out of the Vehicle and Equipment Replacement Fund (VERF). Contributions to the VERF will be made annually based on replacement cost, useful life, and a factor for inflation. Departments with vehicles and/or large equipment will work with City administration in a committee to manage VERF monies and replacement schedules. The VERF Committee will also lead decisions related to maintenance, procurement, and liquidation of VERF assets.
- 3. Whenever possible the City will utilize pay as you go financing to fund capital improvements. To the extent possible, when the City uses debt it will minimize the impact to taxpayers. This will be accomplished by spacing projects and when appropriate using refunding opportunities. High dollar long life span assets shall utilize bond financing as deemed appropriate.

### **Long-range Financial Plans**

Knoxville's Financial Policies provide a framework for the fiscal stability of the City. Some of the policies specifically work toward long-term financial plans determined by City Council and staff. These plans include:

- Building general fund reserves City administration and Council have identified historic levels of general fund reserves as not sufficient. Increasing these reserves in tight budget years has required careful planning, and time. Each of the past three budgets has included an increase to reserves. It is anticipated these efforts will continue, at a minimum, for the next three budget cycles.
- 2. Vehicle and Equipment Replacement Fund The Vehicle and Equipment Replacement Fund (VERF) started as public works-specific fund to plan for large purchases. Large purchases for vehicles and equipment are not limited to the public works department, and so in recent years this fund has expanded across City departments. In FY 2016 new items were added to the VERF to better align revenue contributions to the fund with the demands placed on it.
- 3. Increased spending on infrastructure Knoxville's City Council has made planning for the future a priority. While the City works to build its reserves it is also increasing funding for infrastructure improvements. Examples of these efforts include the development a \$15 million, ten-year pavement program, approximately \$3.2 million in sewer improvements to prevent storm water from entering the sanitary sewer lines through inflow and infiltration, as well as completion of a streetscape project replacing underground infrastructure and streets around Knoxville's downtown.

These projects represent a new direction for Knoxville with more formal planning for its financial future. Long-term plans have been tied to Council priorities and staff's guiding principles, and are also related to the City's financial policies. The few items identified here represent a start of Knoxville's big picture plans. It is anticipated that the City staff will continue to work with Citizens and Council to identify priorities and plan for them accordingly. With these efforts the City hopes

to be better prepared to face future challenges and be poised to capitalize as opportunities arise.

### **Budget Preparation Schedule**

The Knoxville budget process begins in November with staff preforming an initial review of the budget. Departments are provided with copies of the most recent budget year data, actual data from the previous three years and year to date numbers in the current fiscal year. Budgets are review line by line and major anticipated changes are identified. During this review the City specifically incorporates changes to medical insurance and pension expenditures.

In December, the City Manager updates forecasted revenues. Analysis incorporates long term historic City data to form trend lines. Additionally, trend lines are generated based on a three-year average and a forecast range is developed between the long term and three-year trend lines.

Early in January, City Staff take the Council on departmental tours. These tours are a chance for Council to see and learn about the City's operations. During the tours, Staff discuss the prior year's budget and associated accomplishments and challenges, the current year budget and conditions, and needs goals and budgetary changes for the coming fiscal year.

By mid-January, Council has established priorities for the next fiscal year. Following the working session to establish these priorities, staff continues the review started in November. At that point, staff has direction through the Council, revenue analysis from the City Manager, and over a half-year of data collected in the current year to finalize the tentative budget that will be presented to Council.

The tentative budget is presented to Council in early February. Council takes the tentative budget for review, and returns to staff for any other final adjustments before final adoption. During this time a public hearing is set in anticipation of final adoption. The budget is then formally adopted in early March, before the March 15 deadline set by Iowa State law.

November 17 – December 12, 2014	Departments begin initial budget review, identifying major changes.
December 15 – 29	City Manager begins revenue forecast analysis.
January 13, 2015	City Council department tours
January 15	Revenue forecast analysis presented to staff for final analysis.
January 19	Revenue forecast analysis presented to City Council and Council prioritization given to staff.

**January 20 – February 6** Staff prepares tentative budget for presentation to

Council.

**February 9** Tentative budget presented to Council.

**February 16** Set public hearing for formal budget adoption.

**February 24** Public hearing notice sent to the newspaper to be

published on February 27.

March 9 Hold public hearing and City Council adopts fiscal

year 2015-16 operational and capital budget. (Due to an industrial property revaluation affecting revenue for FY 2016 after the March 15 statutory deadline, the budget was not formally passed by Council and accepted by the Iowa Department of

Revenue until April 9, 2015).

### **Amendments to Adopted Budget**

Amendments occur to the budget as needed, and in accordance with all applicable State of Iowa Statutes. Following formal adoption of the budget, staff continues to monitor revenues and expenditures for potential amendments to the budget. Expenditures are classified by nine State-defined programs comprising the functions of the City. If any of these nine programs' combined expenditures will exceed the adopted budget, an amendment is required.

Budget amendments are limited to instances described in City financial policies, and by Section 384.18 of the Iowa Code. Any amendments must be submitted to the State of Iowa in the same manner as the original budget, and are subject to Iowa Code Section 384.16. Protests to amendments are governed by Iowa Code Section 384.19, and allow for a protest hearing.

## **Major Funds**

#### **General Fund**

This is the general operating fund of the City; this fund includes expenditures related to general City government services such as police, fire, public works, building and parks and recreation services.

### **Special Revenue Funds**

This area includes individual funds which receive support from various outside sources in the form of grants or other aid and are restricted to expenditures for particular purposes. These funds include:

- Local Option Sales Tax
- Road Use Tax
- State Grants
- Mobile Home Taxes
- Utility Tax Replacement Excise Tax
- Police & Fire Retirement
- FICA & IPERS
- Other Employee Benefits

### **TIF Special Revenues**

This fund is used to as an economic development tool for the City. TIF revenues are tax increment financing agreements that have been entered into between the City of Knoxville and business owners to give the owners tax relieve during the stages of their developmental growth.

#### **Debt Service**

This fund is used to account for resources and expenditures related to general obligation and special obligation debt. This funds expenditure pays the principal and interest due on bond issuances.

#### **Capital Projects**

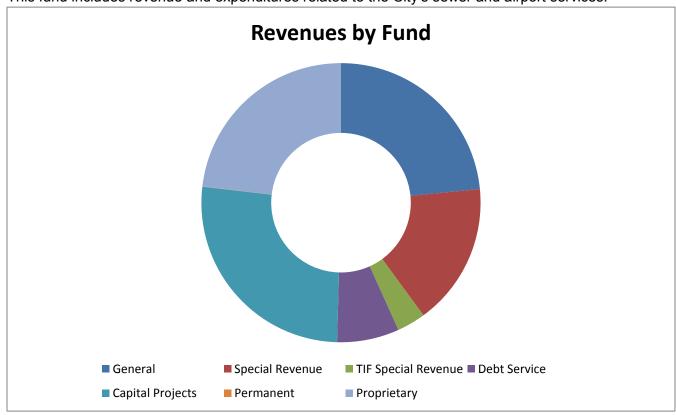
The City of Knoxville defines capital expenditures as those over \$5,000 and which have a useful life of over one year. These expenditures are generally outside of operating funds and directed toward improvements of a non-recurring nature.

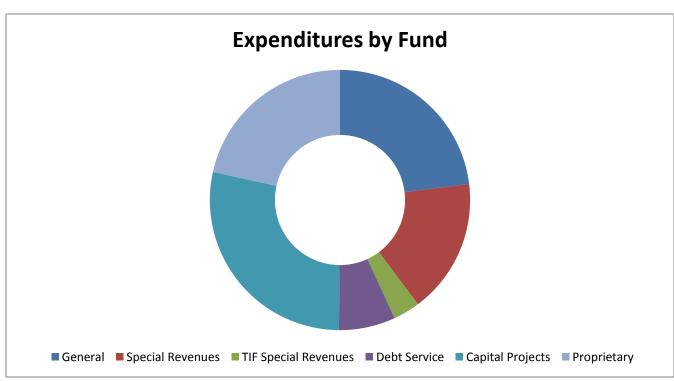
#### **Permanent**

This fund monitors the City's perpetual cemetery services. The revenue budgeted is a portion of the sale of cemetery lots and interest from the perpetual care fund. The perpetual care fund is subject to rules administered by the lowa Insurance Division and is required to be compliant with lowa Code section 523I.

### **Proprietary**

This fund includes revenue and expenditures related to the City's sewer and airport services.





# **Consolidated Financial Schedule**

## Revenues

REVENUES & OTHER FINANCING SOURCES	Prior Year Actuals	Current Year Budget	Next Year Budget
Taxes Levied on Property	3,130,935	3,048,186	2,959,506
Net Current Property Taxes	3,130,935	3,048,186	2,959,506
TIF Revenues	500,000	445,042	354,277
Other City Taxes:			
Utility Tax Replacement Excise Taxes	75,728	71,546	70,093
Utility franchise tax (lowa Code Chapter 364.2)	620,000	600,000	618,010
Mobile Home Taxes	11,850	3,500	13,920
Hotel/Motel Taxes	90,000	90,000	70,448
Other Local Option Taxes	803,598	762,000	753,295
Subtotal - Other City Taxes	1,601,176	1,527,046	1,525,766
Licenses & Permits	39,600	45,985	29,897
Use of Money & Property	139,290	129,803	126,852
Intergovernmental:			
Federal Grants & Reimbursements	248,861	698,714	42,650
Road Use Taxes	725,000	702,000	730,230
Other State Grants & Reimbursements	150,404	78,120	140,505
Local Grants & Reimbursements	79,500	69,850	65,130
Subtotal - Intergovernmental	1,203,765	1,548,684	978,515
Charges for Fees & Service:			
Sewer Utility	2,209,808	2,244,721	2,365,999
Other Fees & Charges for Service	790,786	773,941	678,410
Subtotal - Charges for Service	3,000,594	3,018,662	3,044,409
Special Assessments	9,500	9,500	7,693
Miscellaneous	184,500	1,376,600	513,982
Other Financing Sources:			
Regular Operating Transfers In	1,785,223	1,610,386	3,781,545
Internal TIF Loan Transfers In	0	23,000	0
Subtotal ALL Operating Transfers In	1,785,223	1,633,386	3,781,545
Proceeds of Debt (Excluding TIF Internal Borrowing)	3,500,000	0	132,291
Subtotal-Other Financing Sources	5,285,223	1,633,386	3,913,836
Total Revenues except for beginning fund balance			
	15,094,583	12,782,894	13,454,733
Beginning Fund Balance July 1	6,945,712	9,765,612	10,690,323
TOTAL REVENUES & BEGIN BALANCE	22,040,295	22,548,506	24,145,056

# **Expenditures**

PUBLIC SAFETY	Prior Year Actuals	Current Year Budget	Next Year Budget
Police Department/Crime Prevention	1,217,676	1,290,580	1,374,550
Fire Department	104,267	96,998	107,763
Ambulance	500,974	560,770	561,625
Animal Control	16,390	18,100	18,100
TOTAL	1,839,307	1,966,448	2,062,038

PUBLIC WORKS	Prior Year Actuals	Current Year Budget	Next Year Budget
Roads, Bridges, & Sidewalks	559,053	622,836	640,000
Street Lighting	37,107	38,428	38,428
Traffic Control and Safety	35,738	34,651	35,251
Other Public Works	37,222	32,806	27,866
TOTAL	669,120	728,721	741,545

CULTURE & RECREATION	Prior Year Actuals	Current Year Budget	Next Year Budget
Library Services	330,162	335,409	346,076
Parks	96,086	108,024	76,820
Recreation	463,414	504,016	515,988
Cemetery	180,612	194,129	197,551
TOTAL	1,070,274	1,141,578	1,136,435

COMMUNITY & ECONOMIC DEVELOPMENT	Prior Year Actuals	Current Year Budget	Next Year Budget
Economic Development	115,938	552,825	225,260
Housing and Urban Renewal	4,181	89,457	33,000
Planning & Zoning	73,695	81,662	89,341
TOTAL	193,814	723,944	347,601

GENERAL GOVERNMENT	Prior Year Actuals	Current Year Budget	Next Year Budget
Mayor, Council, & City Manager	173,182	202,711	192,163
Clerk, Treasurer, & Finance Adm.	85,250	87,188	91,140
Legal Services & City Attorney	10,804	12,000	12,000
City Hall & General Buildings	152,602	145,448	151,716
Tort Liability	30,978	34,000	34,000
Other General Government	464	0	0
TOTAL	453,280	481,347	481,019

DEBT SERVICE	Prior Year Actuals	Current Year Budget	Next Year Budget
Gov Capital Projects	1,511,847	1,542,498	1,554,426
TOTAL CAPITAL PROJECTS	2,325,313	2,429,583	4,436,334
TOTAL Government Activities Expenditures	2,325,313	2,429,583	4,436,334
TOTAL	8,062,955	9,014,119	10,759,398

BUSINESS TYPE ACTIVITIES			
Proprietary: Enterprise & Budgeted ISF			
Sewer Utility	1,791,506	3,490,236	1,790,393
Airport	202,142	847,415	358,176
Other Business Type (city hosp., ISF, parking, etc.)	140,295	113,300	160,000
Enterprise CAPITAL PROJECTS	401,001	504,338	165,995
TOTAL Business Type Expenditures	2,534,944	4,955,289	2,474,564
TOTAL ALL EXPENDITURES	10,597,899	13,969,408	13,233,962
Regular Transfers Out	3,781,545	1,610,386	1,785,223
Internal TIF Loan / Repayment Transfers Out	0	23,000	0
Total ALL Transfers Out	3,781,545	1,633,386	1,785,223
Total Expenditures & Fund Transfers Out	14,379,444	15,602,794	15,019,185
Ending Fund Balance June 30	9,765,612	6,945,712	7,021,110

# **Ending Fund Balance**

# FY 2015

FUND	Estimated Balance FY2015	Budgeted Revenue FY2015	Budget Expense FY2015	Estimated Ending Fund Balance FY2015
GENERAL	666,818	3,583,056	3,714,221	535,653
URBAN DEVELOPMENT	45,123	5,000	89,457	(39,334)
ROAD USE TAX	184,204	706,500	684,958	205,746
I-JOBS	3,091	0	0	3,091
EMPLOYEE BENEFITS	135,637	520,508	504,874	151,271
MFPRSI	319,238	200,065	200,000	319,303
EMERGENCY	776	0	0	776
LOCAL OPTION SALES TAX	523,018	762,000	726,648	558,370
FIVE STAR TIF	(27,217)	128,929	151,929	(50,217)
HIGHWAY 14 SOUTH TIF	0	0	0	0
WESTRIDGE TIF	30,757	300	0	31,057
WALMART TIF	0	0	0	0
PARK LANE TIF	1,975	288,769	288,669	2,075
COBBLESTONE TIF	0	27,444	27,444	0
URBAN RENEWAL	3,906	0	0	3,906
REVOLVING LOAN	115,745	0	0	115,745
S.S.M.I.D.	1,226	13,965	13,965	1,226
POLICE DEPARTMENT TRUST	12,107	12,005	16,500	7,612
FIRE/RESCUE DONATIONS	14,540	2,000	0	16,540
LIBRARY GIFT & MEMORIAL	14,932	4,510	9,860	9,582
RECREATION DONATIONS	4,833	0	0	4,833
AULD PARK PLAYGROUND TRST	34,109	70	0	34,179
K-9 UNIT PROGRAM	(8,045)	0	0	(8,045)
DEBT SERVICE	98,871	1,142,249	1,124,601	116,519
CEMETERY ROADS	51,480	1,200	0	52,680
CDBG CHILD CARE PROJECT	0	0	0	0
BIKE TRAIL PROJECT	253,267	0	0	253,267
SIDEWALKS AND ALLEYS	0	0	0	0
GO BOND PROJECTS	1,767,011	90,000	1,687,043	169,968
ENTRANCE SIGNS	3,640	50	3,629	61
2007 CDBG HOUSING REHAB	(13,466)	0	0	(13,466)
2009 CDBG NSP GRANT	27,123	0	0	27,123

CAPITOL PROJECT - LIBRARY	93,277	35,000	40,000	88,277
EQUIPMENT REPLACEMENT	1,119,804	418,288	350,644	1,187,448
BUILDING REPLACEMENT	90,215	0	25,000	65,215
PERPETUAL CARE	255,277	5,000	0	260,277
LIBRARY-REAVER TRUST	500	0	0	500
SEWER UTILITY	3,097,109	3,283,299	4,028,297	2,352,111
SEWER REVENUE SINKING	127,736	701,073	701,073	127,736
SEWER PLANT REPLACEMENT	0	0	0	0
SEWER REVENUE BOND RSRV	808,960	0	0	808,960
SEWER RENTAL DEPOSITS	0	0	0	0
2002 SEWER BOND	0	0	0	0
2003 SEWER BOND	0	0	0	0
AIRPORT IMPROVEMENTS	(117,881)	735,014	740,800	(123,667)
I/I LOAN	0	0	0	0
I&I IMPROVEMENT FUND	0	0	0	0
SEWER CLEANING FUND	0	0	0	0
CAPITAL IMPROVEMENTS	0		0	0
SEWER BOND FUND	0	0	0	0
AIRPORT UTILITY	(155,732)	72,600	106,615	(189,747)
SELF FUND HEALTH INS	181,890	44,000	113,300	112,590
SELF INSURED PROPERTY INS	0			0

# FY2016

FUND	Estimated Balance FY2016	Budgeted Revenue FY2016	Budget Expense FY2016	Estimated Ending Fund Balance FY2016
GENERAL	535,653	3,543,877	3,428,565	650,965
URBAN DEVELOPMENT	(39,334)	10,000	33,000	(62,334)
ROAD USE TAX	205,746	729,500	723,481	211,765
I-JOBS	3,091	0	0	3,091
EMPLOYEE BENEFITS	151,271	721,323	682,671	189,923
MFPRSI	319,303	219,615	218,700	320,218
EMERGENCY	776	0	0	776
LOCAL OPTION SALES TAX	558,370	803,598	843,730	518,238
FIVE STAR TIF	(50,217)	140,000	140,000	(50,217)
HIGHWAY 14 SOUTH TIF	0	0	0	0
WESTRIDGE TIF	31,057	300	0	31,357
WALMART TIF	0	0	0	0
PARK LANE TIF	2,075	315,000	315,000	2,075
COBBLESTONE TIF	0	45,000	45,000	0
URBAN RENEWAL	3,906	0	0	3,906
REVOLVING LOAN	115,745	0	0	115,745
S.S.M.I.D.	1,226	16,000	16,000	1,226
POLICE DEPARTMENT TRUST	7,612	12,005	16,500	3,117
FIRE/RESCUE DONATIONS	16,540	500	2,000	15,040
LIBRARY GIFT & MEMORIAL	9,582	4,510	9,750	4,342
RECREATION DONATIONS	4,833	0	0	4,833
AULD PARK PLAYGROUND TRUST	34,179	70	0	34,249
K-9 UNIT PROGRAM	(8,045)	0	0	(8,045)
DEBT SERVICE	116,519	1,086,196	1,054,426	148,289
CEMETERY ROADS	52,680	1,000	0	53,680
CDBG CHILD CARE PROJECT	0	0	0	0
BIKE TRAIL PROJECT	253,267	0	253,267	(0)
SIDEWALKS AND ALLEYS	0	0	0	0
GO BOND PROJECTS	169,968	3,500,000	3,500,000	169,968
ENTRANCE SIGNS	61	50	0	111
2007 CDBG HOUSING REHAB	(13,466)	0	0	(13,466)
2009 CDBG NSP GRANT	27,123	0	0	27,123
CAPITOL PROJECT - LIBRARY	88,277	35,000	36,200	87,077
EQUIPMENT REPLACEMENT	1,187,448	446,335	463,367	1,170,416

BUILDING REPLACEMENT	65,215	0	3,500	61,715
PERPETUAL CARE	260,277	4,925	0	265,202
LIBRARY-REAVER TRUST	500	0	0	500
SEWER UTILITY	2,352,111	2,228,908	2,021,104	2,559,915
SEWER REVENUE SINKING	127,736	694,748	694,748	127,736
SEWER PLANT	0	0	0	0
REPLACEMENT				
SEWER REVENUE BOND	808,960	0	0	808,960
RSRV	•	•		
SEWER RENTAL DEPOSITS	0	0	0	0
2002 SEWER BOND	0	0	0	0
2003 SEWER BOND	0	0	0	0
AIRPORT IMPROVEMENTS	(123,667)	242,861	242,861	(123,667)
I/I LOAN	0	0	0	0
I&I IMPROVEMENT FUND	0	0	0	0
SEWER CLEANING FUND	0	0	0	0
CAPITAL IMPROVEMENTS	0	0	0	0
SEWER BOND FUND	0	0	0	0
AIRPORT UTILITY	(189,747)	133,290	115,315	(171,772)
SELF FUND HEALTH INS	112,590	192,000	160,000	144,590
SELF INSURED PROPERTY INS	0	0	0	0

## **Significant Changes to Fund Balance**

**General Fund**- the City of Knoxville has developed long term financial policies which include a reserve amount of 10-15% of budgeted operating expenditures. In the past several years the City has made it a priority to add at least \$100,000 to fund balance each year. It is budgeted to do so in FY 2016.

**Urban Renewal Fund**- This fund is used for the purchasing of dilapidated/abandoned properties and also the demolition of these properties. The budget reflects spending down of fund balance.

**Employee Benefits Fund**-due to the 19% increase in health insurance premiums for FY 2016 the City was forced to increase the employee benefit levy to cover such claims.

**Police Department Trust**- This fund is for budgeting of the police department seizure account. The revenues go towards purchase of one-time expenditures for the department. The budget reflects spending down of fund balance.

**Library Gift and Memorial Fund**- This fund is for budgeting of donations the library receives. The budget reflects spending down of fund balance.

Bike Trail Project Fund- budget reflects to spend down fund balance on bike trail expansion project.

**Entrance Signs Fund**- budget reflects spending of fund balance towards repair and maintenance of existing signs.

**Self-Fund Health Insurance**- due to the large medical claims history the City has experienced a significant decrease in the balance of the self-fund health insurance fund. The FY 2016 budget will bring the fund balance back up to a more sustainable balance.

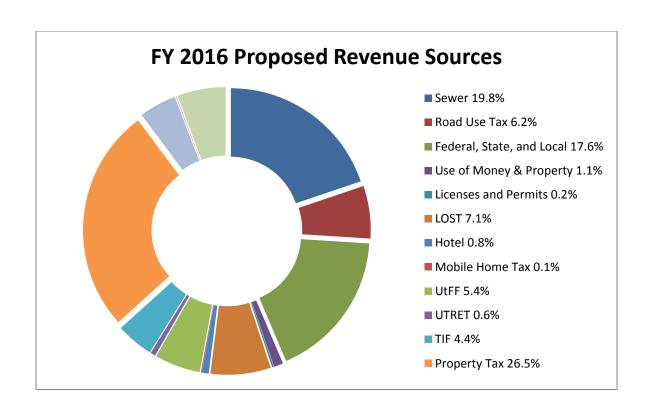
### **REVENUE**

Diverse revenue sources are important to any municipal budget. If one area loses money in a fiscal year, there are other sources to help compensate for the losses. For this reason, as well as to properly assess available services and assets, revenue forecasting is essential to proper budget planning for upcoming fiscal years.

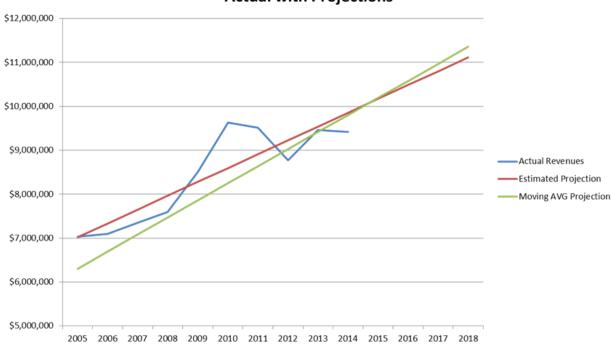
The City of Knoxville forecasts revenues using a trend line created from the past 10 years of data. In order to smooth out the "bumps" in the data, a 3-year moving average is developed by averaging one year with the previous two years of data (e.g. FY 2014 revenues are averaged with FY 2013 and FY 2012). This creates a smoother line and a conservative trend, which is important to prevent building a budget with over-estimated revenues.

The total revenue projections for FY 2016 are described below:

Revenue Source	EST Projection	AVG Projection	Staff Recommended (Est.)
Property Tax	\$3,250,533	\$3,006,593	\$3,000,000
TIF	\$321,133	\$368,272	\$500,000
UTRET	\$92,411	\$124,126	\$70,000
Utility Franchise Tax			\$610,000
Mobile Home Tax	\$12,725	\$12,022	\$12,000
Hotel	\$61,322	\$49,949	\$90,000
LOST	\$719,780	\$739,260	\$803,598
Licenses & Permits	\$18,824	\$17,992	\$20,000
Use of Money & Property	\$95,932	\$152,394	\$128,000
Federal, State & Local	\$506,568	\$695,098	\$2,000,000
Road Use Tax	\$727,058	\$703,176	\$700,000
Sewer	\$2,500,055	\$2,473,734	\$2,250,000
Other	\$597,859	\$619,939	\$650,000
Special Assessment	\$9,924	\$7,972	\$7,500
Miscellaneous	\$966,963	\$982,050	\$500,000
Total	\$9,881,087	\$9,952,576	\$11,341,098



## **Actual with Projections**



FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$5,436,101			
2004		\$5,675,649		\$5,390,472	
2005	1	\$7,036,537	\$7,020,133	\$6,049,429	\$6,305,399
2006	2	\$7,097,243	\$7,335,266	\$6,603,143	\$6,694,071
2007	3	\$7,346,899	\$7,650,398	\$7,160,226	\$7,082,744
2008	4	\$7,597,311	\$7,965,531	\$7,347,151	\$7,471,417
2009	5	\$8,509,878	\$8,280,664	\$7,818,029	\$7,860,089
2010	6	\$9,627,402	\$8,595,797	\$8,578,197	\$8,248,762
2011	7	\$9,511,449	\$8,910,930	\$9,216,243	\$8,637,435
2012	8	\$8,773,737	\$9,226,063	\$9,304,196	\$9,026,107
2013	9	\$9,462,157	\$9,541,195	\$9,249,114	\$9,414,780
2014	10	\$9,419,692	\$9,856,328	\$9,218,529	\$9,803,453
2015	11		\$10,171,461		\$10,192,125
2016	12		\$10,486,594		\$10,580,798
2017	13		\$10,801,727		\$10,969,471

### **Forecasting**

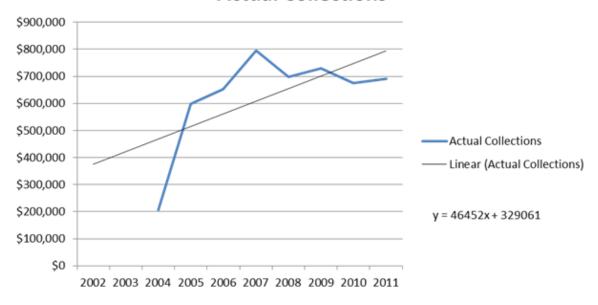
The City Manager is in charge of projecting revenues using historical data and information provided by the City Clerk. The City of Knoxville uses the following trend analysis to forecast revenues for the upcoming fiscal year:

### 1) Collect last 10 years of data (this is sales tax data from 2001-2011)

FY		Actual Collections
2001	0	\$106,766
2002	1	
2003	2	
2004	3	\$206,780
2005	4	\$598,184
2006	5	\$653,652
2007	6	\$795,937
2008	7	\$698,720
2009	8	\$728,713
2010	9	\$674,822
2011	10	\$691,182
2012	11	
2013	12	
2014	13	
2015	14	

- 2) Graph the Data
- 3) Create a Trend Line and Formula

# **Actual Collections**



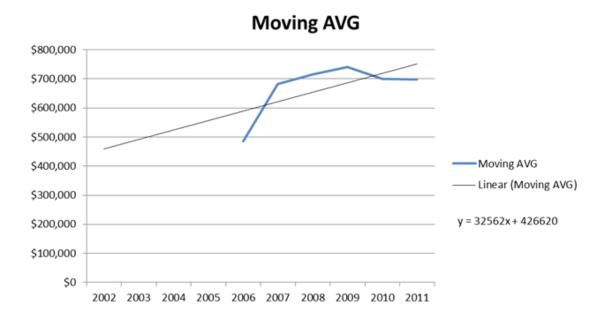
### 4) Project future Revenues

FY		Actual Collections	Est. Projections
2001	0	\$106,766	\$329,061
2002	1	#N/A	\$375,513
2003	2	#N/A	\$421,965
2004	3	\$206,780	\$468,417
2005	4	\$598,184	\$514,869
2006	5	\$653,652	\$561,321
2007	6	\$795,937	\$607,773
2008	7	\$698,720	\$654,225
2009	8	\$728,713	\$700,677
2010	9	\$674,822	\$747,129
2011	10	\$691,182	\$793,581
2012	11		\$840,033
2013	12		\$886,485
2014	13		\$932,937
2015	14		\$979,389

5) In order to "smooth out the bumps" of the data, a moving average is created by averaging one year's data with the previous two years of data. This creates a smoother, and often a more conservative trend

FY		Actual Collections	3 Year AVG
2001	0	\$106,766	#N/A
2002	1	#N/A	#N/A
2003	2	#N/A	#N/A
2004	3	\$206,780	#N/A
2005	4	\$598,184	#N/A
2006	5	\$653,652	\$486,205
2007	6	\$795,937	\$682,591
2008	7	\$698,720	\$716,103
2009	8	\$728,713	\$741,123
2010	9	\$674,822	\$700,752
2011	10	\$691,182	\$698,239
2012	11		
2013	12		
2014	13		
2015	14		

- 6) All the data is graphed
- 7) A trend line and formula are created

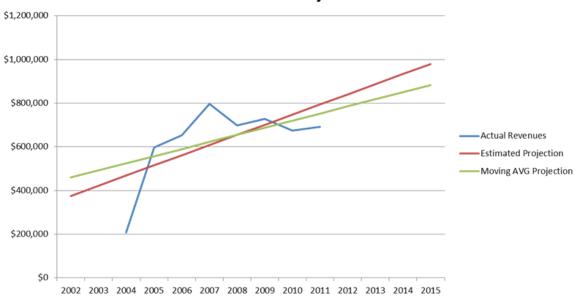


## 8) The formula is used to project future revenues

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2001	0	\$106,766	\$329,061	#N/A	\$426,620
2002	1	#N/A	\$375,513	#N/A	\$459,182
2003	2	#N/A	\$421,965	#N/A	\$491,744
2004	3	\$206,780	\$468,417	#N/A	\$524,306
2005	4	\$598,184	\$514,869	#N/A	\$556,868
2006	5	\$653,652	\$561,321	\$486,205	\$589,430
2007	6	\$795,937	\$607,773	\$682,591	\$621,992
2008	7	\$698,720	\$654,225	\$716,103	\$654,554
2009	8	\$728,713	\$700,677	\$741,123	\$687,116
2010	9	\$674,822	\$747,129	\$700,752	\$719,678
2011	10	\$691,182	\$793,581	\$698,239	\$752,240
2012	11		\$840,033		\$784,802
2013	12		\$886,485		\$817,364
2014	13		\$932,937		\$849,926
2015	14		\$979,389		\$882,488

### 9) Summarize with final graph

## **Actual with Projections**



Utilizing this methodology, the City has determined the major revenue sources to be:

Major Funds					
Revenue Source	% of Budget				
Property Tax	26.5				
Sewer	19.8				
Federal, State, & Local	17.6				
Local Option Sales	7.1				
Road Use Tax Fund	6.2				
Proportion of Budget	77.2				

#### **General Fund**

The General Fund is the main driver of The City of Knoxville. Revenues in this fund are appropriated to Administration, Council, Police Department, Fire and Rescue, Library, Recreation Center, and Cemetery. Trends are provided for General Fund Revenue Sources below.

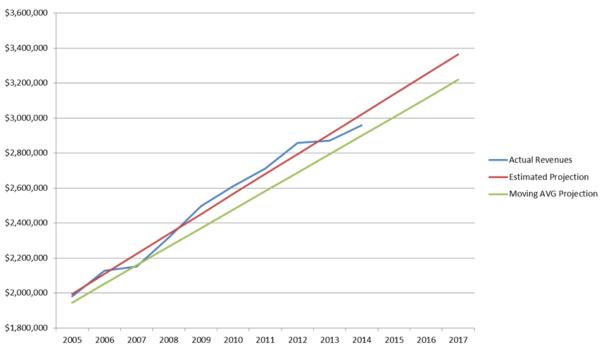
### **Property Tax**

Property Taxes are based on the valuation of agricultural, commercial, industrial, and residential properties within the corporate limits of Knoxville. Valuations are provided by the Marion County Assessor's Office, and are calculated every two years in odd-numbered years. The effective date of an assessed value is January of the current year, so assessed values may change during the City's fiscal year. The lowa Legislature puts a cap on the property value tax at \$8.10 per \$1000 of property value. However, cities are able to levy taxes outside of the property value cap for debt service and special qualifying exceptions such as: libraries, public safety, and employee benefits. But for the most part, the City has limited control over this revenue stream. Property taxes are part of the General Fund.

Property Tax revenue is expected to continue increasing in the foreseeable future as the City plans to aggressively pursue new residential, commercial, and industrial development. Property values are also expected to continue rising modestly, as the state has a 3% cap on property value increases for each assessment period.

FY	•	Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$2,091,215			
2004		\$2,069,054			
2005	1	\$1,981,319	\$1,995,345	\$2,047,196	\$1,946,388
2006	2	\$2,129,393	\$2,109,453	\$2,059,922	\$2,052,408
2007	3	\$2,152,613	\$2,223,561	\$2,087,775	\$2,158,429
2008	4	\$2,315,591	\$2,337,669	\$2,199,199	\$2,264,449
2009	5	\$2,497,122	\$2,451,777	\$2,321,775	\$2,370,470
2010	6	\$2,611,363	\$2,565,885	\$2,474,692	\$2,476,490
2011	7	\$2,711,600	\$2,679,993	\$2,606,695	\$2,582,511
2012	8	\$2,858,962	\$2,794,101	\$2,727,308	\$2,688,531
2013	9	\$2,870,840	\$2,908,209	\$2,813,801	\$2,794,552
2014	10	\$2,959,506	\$3,022,317	\$2,896,436	\$2,900,572
2015	11		\$3,136,425		\$3,006,593
2016	12		\$3,250,533		\$3,112,613
2017	13		\$3,364,641		\$3,218,634

## **Actual With Projections**



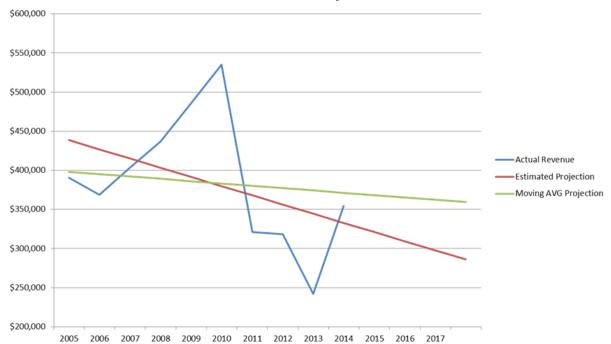
#### **Tax Increment Financing (TIF)**

Tax Increment Financing is a method of reallocating tax revenues to projects in the area. A base valuation is set, and any revenue resulting from an increase in value above the base level is reinvested to projects within that tax area for the life of the agreement (currently limited to no more than 20 years in the State of Iowa). Revenues must be spent within the boundaries of the TIF district, and cannot be used to supplement General Fund operations.

Cities use this incremental tax revenue as payments for bonds issued for the project, to develop the TIF district, and as a tax rebate to developers. Revenues are essentially a pass-through. At the end of the TIF agreement, the incremental tax revenue reverts to regular property tax revenue for the city, and becomes revenue for the General Fund.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$267,890			
2004		\$327,032			
2005	1	\$390,497	\$438,466	\$328,473	\$398,149
2006	2	\$368,655	\$426,733	\$362,061	\$395,162
2007	3	\$403,700	\$415,000	\$387,617	\$392,174
2008	4	\$436,811	\$403,266	\$403,055	\$389,186
2009	5	\$485,945	\$391,533	\$442,152	\$386,199
2010	6	\$535,285	\$379,800	\$486,014	\$383,211
2011	7	\$320,902	\$368,067	\$447,377	\$380,223
2012	8	\$318,340	\$356,333	\$391,509	\$377,235
2013	9	\$242,252	\$344,600	\$293,831	\$374,248
2014	10	\$354,277	\$332,867	\$304,956	\$371,260
2015	11		\$321,133		\$368,272
2016	12		\$309,400		\$365,284
2017	13		\$297,667		\$362,297

## **Actual With Projections**



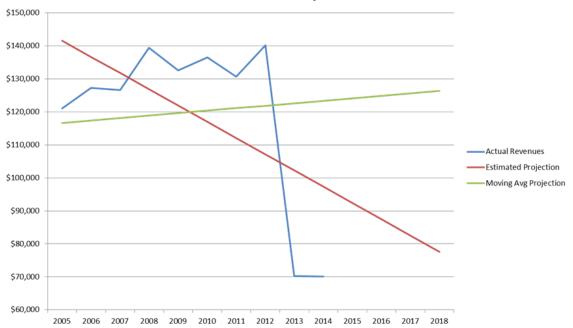
#### **Utility Tax Replacement Excise Tax (UTRET)**

Collected on the generation, distribution and delivery of electricity and natural gas. This tax replaced the taxation on utility property in 1999. Cities are required to calculate their property tax revenues with and without utility property valuations. The difference that is calculated is necessary to establish the General Property Tax Equivalents, the basis for determining the distribution of the excise tax. Therefore, the City has no control over the amount of revenue from this source.

There is a sharp decline in the actual revenues as cable franchise revenues were removed and included under the Utility Franchise Fee.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$94,496			
2004		\$66,055			
2005	1	\$121,037	\$141,619	\$93,863	\$116,649
2006	2	\$127,253	\$136,698	\$104,782	\$117,397
2007	3	\$126,634	\$131,778	\$124,975	\$118,144
2008	4	\$139,491	\$126,857	\$131,126	\$118,892
2009	5	\$132,550	\$121,936	\$132,892	\$119,640
2010	6	\$136,535	\$117,015	\$136,192	\$120,388
2011	7	\$130,690	\$112,095	\$133,258	\$121,135
2012	8	\$140,195	\$107,174	\$135,807	\$121,883
2013	9	\$70,280	\$102,253	\$113,722	\$122,631
2014	10	\$70,092	\$97,332	\$93,522	\$123,378
2015	11		\$92,411		\$124,126
2016	12		\$87,491		\$124,874
2017	13		\$82,570		\$125,622





### **Utility Franchise Fees (UtFF)**

The Utility Franchise Fee was instituted in FY 2013 and collected for less than half of that fiscal year. It has continued to increase in subsequent years, though the growth is expected to slow in FY 2016 and is only expected to increase significantly with future development. A trend line was not created due to the fact that it is a newer revenue source. The fee itself is a 5% charge on all gas and electric utility bills.

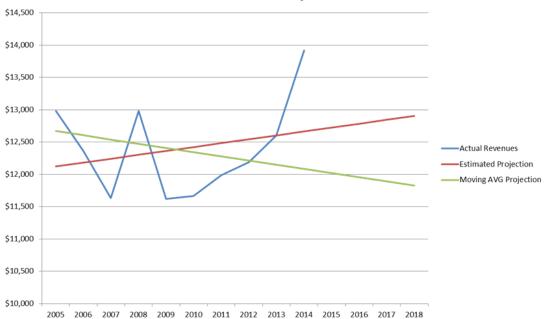
FY	Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2012				
2013	\$411,461			
2014	\$618,010			
2015				
2016				

#### **Mobile Home Tax**

This revenue is collected by the County much like property taxes on mobile homes. Knoxville currently has two mobile home parks, but growth is only expected with increases to assessed value or additional mobile home park development.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$13,034			
2004		\$13,469			
2005	1	\$12,982	\$12,123	\$13,162	\$12,670
2006	2	\$12,362	\$12,183	\$12,938	\$12,605
2007	3	\$11,634	\$12,243	\$12,326	\$12,540
2008	4	\$12,982	\$12,303	\$12,326	\$12,475
2009	5	\$11,619	\$12,364	\$12,078	\$12,411
2010	6	\$11,663	\$12,424	\$12,088	\$12,346
2011	7	\$11,990	\$12,484	\$11,757	\$12,281
2012	8	\$12,186	\$12,544	\$11,946	\$12,216
2013	9	\$12,599	\$12,604	\$12,258	\$12,151
2014	10	\$13,920	\$12,665	\$12,902	\$12,087
2015	11		\$12,725		\$12,022
2016	12		\$12,785		\$11,957
2017	13		\$12,845		\$11,892





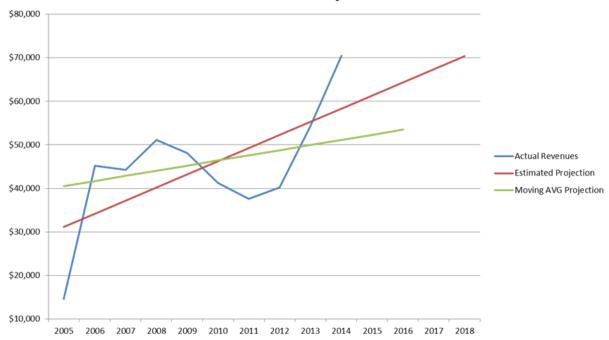
#### **Hotel/Motel Tax**

The Hotel/Motel Tax is collected with reservation fees for rooms at hotels and motels. As such, it is dependent on the number of hotel rooms booked throughout the year. The rate is currently set at the state cap of 7%, and revenues are split between economic development and tourism.

There was a rapid increase in tax revenue beginning in 2012 due to the opening of a new 36-room hotel that year. Thanks to frequent business travelers and Knoxville Nationals every year, hotel rooms are booked during much of the year. To increase this revenue in the future, the City will need to attract investors to build additional facilities, or add onto existing hotels.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003					
2004					
2005	1	\$14,637	\$31,119		
2006	2	\$45,164	\$34,140		
2007	3	\$44,226	\$37,160	\$34,676	\$40,534
2008	4	\$51,174	\$40,180	\$46,855	\$41,711
2009	5	\$48,165	\$43,201	\$47,855	\$42,888
2010	6	\$41,213	\$46,221	\$46,851	\$44,065
2011	7	\$37,602	\$49,241	\$42,327	\$45,242
2012	8	\$40,173	\$52,261	\$39,663	\$46,419
2013	9	\$54,305	\$55,282	\$44,027	\$47,596
2014	10	\$70,448	\$58,302	\$54,975	\$48,772
2015	11		\$61,322		\$49,949
2016	12		\$64,343		\$51,126
2017	13		\$67,363		\$52,303

## **Actual With Projections**



#### **Local Option Sales Tax**

The Local Option Sales Tax is a county-wide sales tax on goods and services that was passed initially for the period 2003-2014, and was passed again by the tax payers for the period 2014-2023. It is a 1% addition to the State sales tax, and is collected by the county and distributed among the cities and towns of Marion County based upon population. As a result, the bulk of the revenue is shared among Knoxville and Pella (the two largest cities), and Marion County. Recently, Knoxville and Pella brokered a deal with the County in which the two cities receive an additional percentage from the County's share. Through this arrangement, Knoxville receives another 4% of the revenue above the standard share. This money has been set aside for the Downtown Streetscape project through FY 2016. In the past, a portion was also set aside for bicycle and pedestrian trails which the city has used for engineering fees and as a local match for grant opportunities.

Actual revenues have varied with the local economy, as well as changes to the sources for LOST. Previously, utility bills were subject to LOST, but the Utility Franchise Fee recently replaced the sales tax.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003					
2004		\$148,486			
2005	1	\$598,184	\$680,719		
2006	2	\$721,292	\$684,625	\$489,321	\$629,902
2007	3	\$773,959	\$688,532	\$697,812	\$642,053
2008	4	\$675,727	\$692,438	\$723,659	\$654,204
2009	5	\$728,713	\$696,344	\$726,133	\$666,355
2010	6	\$674,822	\$700,250	\$693,087	\$678,506
2011	7	\$691,182	\$704,156	\$698,239	\$690,657
2012	8	\$692,840	\$708,062	\$686,281	\$702,808
2013	9	\$672,951	\$711,968	\$685,658	\$714,958
2014	10	\$753,295	\$715,874	\$706,362	\$727,109
2015	11		\$719,780		\$739,260
2016	12		\$723,686		\$751,411
2017	13		\$727,592		\$763,562

## **Actual with Projections**

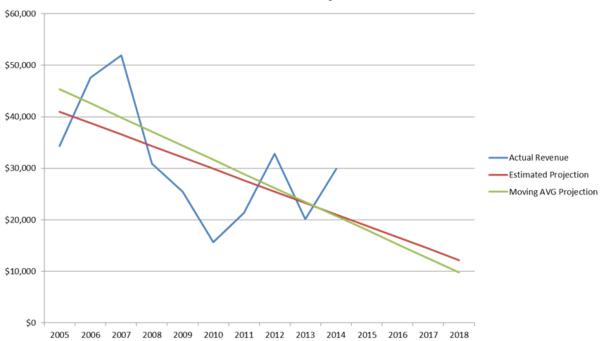


#### **Licenses and Permits**

These funds are collected as fees the City charges for licenses and permits. Revenue is dependent on development activity in the community. Recently, Knoxville has seen a major hospital expansion, industrial expansion, new businesses, and new housing and buildable lots, though this revenue has been in decline since the 2008 recession. The City is encouraging development as a growth strategy, which may in the future arrest the downward trend.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$54,796		\$51,136	
2004		\$42,759		\$48,318	
2005	1	\$34,284	\$40,985	\$43,946	\$45,323
2006	2	\$47,589	\$38,769	\$41,544	\$42,590
2007	3	\$51,941	\$36,553	\$44,605	\$39,857
2008	4	\$30,932	\$34,337	\$43,487	\$37,124
2009	5	\$25,493	\$32,121	\$36,122	\$34,391
2010	6	\$15,678	\$29,905	\$24,034	\$31,658
2011	7	\$21,320	\$27,689	\$20,830	\$28,925
2012	8	\$32,826	\$25,473	\$23,275	\$26,192
2013	9	\$20,168	\$23,256	\$24,771	\$23,459
2014	10	\$29,897	\$21,040	\$27,630	\$20,726
2015	11		\$18,824		\$17,992
2016	12		\$16,608		\$15,259
2017	13		\$14,392		\$12,526



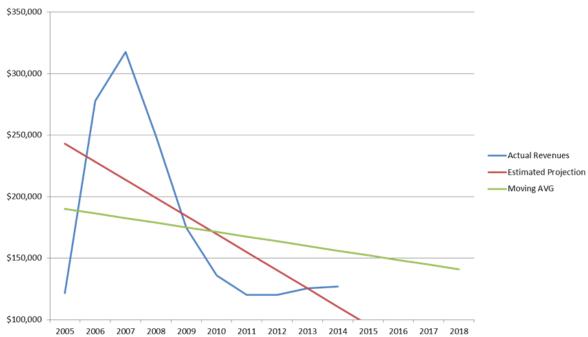


### **Use of Money and Property**

Revenue from this source comes from money earned on interest in City accounts and investments, as well as leases and rentals on City property. Revenue declined dramatically in past years, but this fund is beginning to plateau and see minimal increases.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$117,816			
2004		\$112,339		\$126,985	
2005	1	\$121,589	\$243,268	\$117,248	\$190,220
2006	2	\$277,868	\$228,534	\$170,599	\$186,437
2007	3	\$317,633	\$213,801	\$239,030	\$182,655
2008	4	\$249,191	\$199,067	\$281,564	\$178,872
2009	5	\$174,574	\$184,333	\$247,133	\$175,090
2010	6	\$135,854	\$169,600	\$186,540	\$171,307
2011	7	\$120,318	\$154,866	\$143,582	\$167,524
2012	8	\$120,172	\$140,133	\$125,448	\$163,742
2013	9	\$125,614	\$125,399	\$122,035	\$159,959
2014	10	\$126,853	\$110,665	\$124,213	\$156,176
2015	11		\$95,932		\$152,394
2016	12		\$81,198		\$148,611
2017	13		\$66,465		\$144,829





#### Federal, State, and Local Grants and Reimbursements

Federal, State, and Local Funds are received for a number of reasons. Federal monies for FY 2016 come in the form of a COPS grant and FAA grants. The City is entering its third year of the COPS (Community Oriented Policing Services) grant, which is a 4-year grant to help pay the salary of one police officer. Each year of the grant, the City is responsible for an additional 25% of the officer's salary. Through this program, the Police Department was able to add one officer to its force by hiring a military veteran. The additional personnel allowed for the creation of a School Resource Officer, for which the Knoxville Community School District pays half of the City's salary obligation.

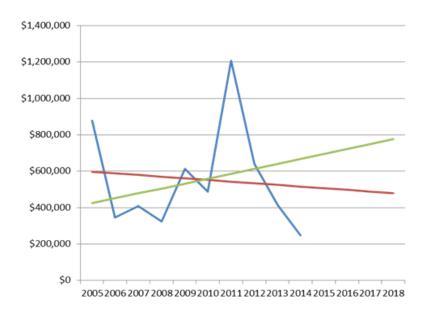
The airport is owned by the City, but the City pays a Fixed Based Operator (FBO) an administration fee to manage the facilities. To maintain and upgrade the facilities and runways, the FBO applies for Federal Aviation Administration (FAA) grants. Currently the airport is in the process of lengthening the runway and repairing the apron to allow for larger aircraft.

Revenue from the State of Iowa comes in the form of library grants, public safety grants for police, a portion of the proceeds from liquor sales, and property tax backfill. The backfill was instituted by the State of Iowa after they passed their Property Tax Relief program, which reduced cities' revenues by rolling back the taxable value of certain properties to 50-90% of the assessed value. The backfill, while temporary, helps fill the budget gap for municipalities to provide enough time to identify additional revenue sources or cutbacks.

These revenue sources are somewhat unpredictable and can vary year-to-year depending on grant opportunities and reimbursements. The trend is skewed higher than what has been brought in due to a one-time award of \$1 million for an I-Jobs grant related to a sewer project.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$275,143			
2004		\$155,302		\$156,688	
2005	1	\$877,315	\$597,578	\$435,920	\$423,722
2006	2	\$344,676	\$588,477	\$459,098	\$450,859
2007	3	\$409,386	\$579,376	\$543,792	\$477,997
2008	4	\$324,211	\$570,275	\$359,424	\$505,134
2009	5	\$612,399	\$561,174	\$448,665	\$532,272
2010	6	\$488,668	\$552,073	\$475,093	\$559,410
2011	7	\$1,208,098	\$542,972	\$769,722	\$586,547
2012	8	\$640,533	\$533,871	\$779,100	\$613,685
2013	9	\$412,666	\$524,770	\$753,766	\$640,822
2014	10	\$248,285	\$515,669	\$433,828	\$667,960
2015	11		\$506,568		\$695,098
2016	12		\$497,467		\$722,235
2017	13		\$488,366		\$749,373

# **Actual with Projections**



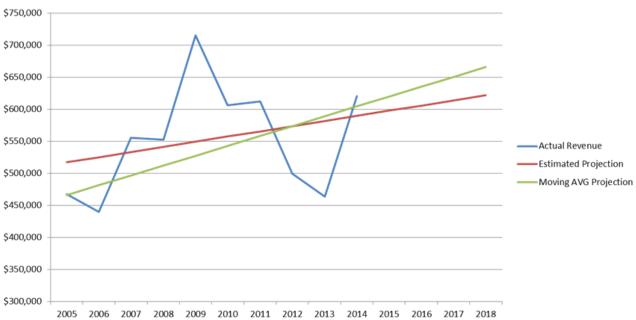


Other

Other is a catch-all category that includes revenues from Police, Fire and Rescue, Rec Center, Cemetery, and Zoning. Revenue in these categories is unpredictable, but projections show a modest increase over the past 10 years.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$312,086			
2004		\$423,250		\$351,239	
2005	1	\$467,822	\$517,130	\$401,053	\$465,932
2006	2	\$439,924	\$525,203	\$443,665	\$481,333
2007	3	\$555,753	\$533,276	\$487,833	\$496,733
2008	4	\$552,542	\$541,349	\$516,073	\$512,134
2009	5	\$715,681	\$549,422	\$607,992	\$527,535
2010	6	\$606,460	\$557,495	\$624,894	\$542,935
2011	7	\$612,537	\$565,568	\$644,893	\$558,336
2012	8	\$499,237	\$573,640	\$572,745	\$573,737
2013	9	\$463,969	\$581,713	\$525,248	\$589,137
2014	10	\$620,658	\$589,786	\$527,955	\$604,538
2015	11		\$597,859		\$619,939
2016	12		\$605,932		\$635,339
2017	13		\$614,005		\$650,740

## **Actual with Projections**

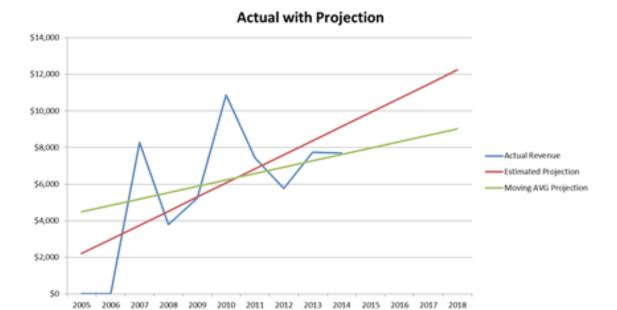


#### **Special Assessments**

Revenue in this category comes from assessments such as code enforcement citations. City Code provides a certain amount of time for the abatement of nuisance issues and other code violations. When issues are not brought up to code within the allotted time frame, the violators are fined and the City may come in to abate the problem.

Revenue is unpredictable, but has shown a modest upward trend over time.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$5,688			
2004		\$14,329		\$12,627	
2005	1	\$0	\$2,208	\$6,672	\$4,485
2006	2	\$0	\$2,979	\$4,776	\$4,834
2007	3	\$8,281	\$3,751	\$2,760	\$5,183
2008	4	\$3,796	\$4,523	\$4,026	\$5,531
2009	5	\$5,231	\$5,294	\$5,769	\$5,880
2010	6	\$10,873	\$6,066	\$6,633	\$6,228
2011	7	\$7,433	\$6,837	\$7,846	\$6,577
2012	8	\$5,759	\$7,609	\$8,022	\$6,926
2013	9	\$7,733	\$8,380	\$6,975	\$7,274
2014	10	\$7,693	\$9,152	\$7,062	\$7,623
2015	11		\$9,924		\$7,972
2016	12		\$10,695		\$8,320
2017	13		\$11,467		\$8,669



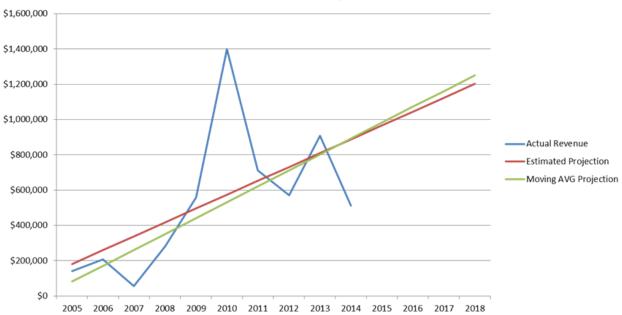
#### Miscellaneous

This category covers all revenue streams that are not otherwise identified, as well as audit adjustments.

The actual revenue in the historical data has been varied and unpredictable, however a trend analysis shows there is some modest growth in this fund.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$195,298			
2004		\$145,792		\$224,433	
2005	1	\$142,408	\$181,988	\$161,166	\$81,844
2006	2	\$208,572	\$260,485	\$165,591	\$171,864
2007	3	\$55,333	\$338,983	\$135,438	\$261,885
2008	4	\$282,919	\$417,480	\$182,275	\$351,906
2009	5	\$557,809	\$495,978	\$298,687	\$441,926
2010	6	\$1,398,860	\$574,475	\$746,529	\$531,947
2011	7	\$712,416	\$652,973	\$889,695	\$621,968
2012	8	\$572,354	\$731,470	\$894,543	\$711,988
2013	9	\$907,612	\$809,968	\$730,794	\$802,009
2014	10	\$513,982	\$888,465	\$664,649	\$892,030
2015	11		\$966,963		\$982,050
2016	12		\$1,045,460		\$1,072,071
2017	13		\$1,123,958		\$1,162,092





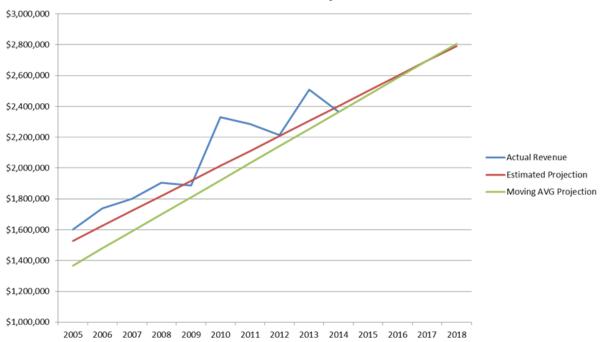
#### **Sewer Enterprise Fund**

The sewer fund is an enterprise fund, which is to say it is collected on a user-charge basis. This means that the service is paid for by those who use it based on the volume of output from their property. These fees help to pay for repairs and upgrades to the Water Reclamation plant and its associated infrastructure, as well as plant operations. Currently, a portion of the fund is being utilized to pay for the Infiltration and Inflow project related to the unfunded mandate from the lowa Department of Natural Resources to reduce storm water in the sanitary sewer system. This fund is collected through the monthly water bill sent out by the Knoxville Water Works. The City sets the rates for sewer service in City Code, however there are external regulatory organizations that affect the cost of plant operations and infrastructure maintenance.

Sewer revenues have seen a steep increase in recent years due to rates increasing over a number of years. These rate increases were in anticipation of the costs associated with the Infiltration and Inflow project.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$1,245,473			
2004		\$1,513,913			
2005	1	\$1,602,821	\$1,527,587	\$1,454,069	\$1,367,933
2006	2	\$1,739,596	\$1,624,834	\$1,618,777	\$1,478,513
2007	3	\$1,799,350	\$1,722,081	\$1,713,922	\$1,589,093
2008	4	\$1,905,293	\$1,819,328	\$1,814,746	\$1,699,673
2009	5	\$1,887,976	\$1,916,574	\$1,864,206	\$1,810,253
2010	6	\$2,330,560	\$2,013,821	\$2,041,276	\$1,920,833
2011	7	\$2,286,337	\$2,111,068	\$2,168,291	\$2,031,413
2012	8	\$2,213,212	\$2,208,315	\$2,276,703	\$2,141,993
2013	9	\$2,506,976	\$2,305,562	\$2,335,508	\$2,252,573
2014	10	\$2,366,000	\$2,402,808	\$2,362,063	\$2,363,153
2015	11		\$2,500,055		\$2,473,734
2016	12		\$2,597,302		\$2,584,314
2017	13		\$2,694,549		\$2,694,894

## **Actual with Projections**

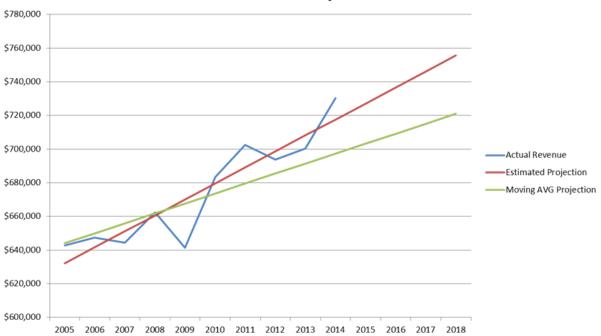


### **Road Use Tax Fund**

The Road Use Tax Fund (RUT) is a state fund that is collected from vehicle registrations and the state-imposed excise tax on fuels, the purpose of which is to pay for improvements to primary, secondary, and municipal road improvements. Along with general transportation improvements, the City uses some of the RUT income to purchase equipment necessary to maintain the existing transportation infrastructure.

FY		Actual Collections	Est. Projections	3 Year AVG	AVG Projections
2003		\$748,082			
2004		\$643,869		\$727,853	
2005	1	\$642,801	\$632,085	\$678,251	\$644,051
2006	2	\$647,282	\$641,583	\$644,651	\$649,964
2007	3	\$644,339	\$651,080	\$644,807	\$655,876
2008	4	\$662,335	\$660,577	\$651,319	\$661,788
2009	5	\$641,439	\$670,074	\$649,371	\$667,701
2010	6	\$683,374	\$679,572	\$662,383	\$673,613
2011	7	\$702,448	\$689,069	\$675,754	\$679,526
2012	8	\$693,646	\$698,566	\$693,156	\$685,438
2013	9	\$700,336	\$708,063	\$698,810	\$691,351
2014	10	\$730,230	\$717,561	\$708,071	\$697,263
2015	11		\$727,058		\$703,176
2016	12		\$736,555		\$709,088
2017	13		\$746,052		\$715,001

## **Actual with Projections**



## **Capital Expenditures**

Investment into capital such as land and buildings, infrastructure, equipment, technology, and other City assets is essential to providing service. The City of Knoxville defines capital expenditures as those over \$5,000 and a useful life of over one year. These expenditures are generally outside of operating funds and directed toward improvements of a non-recurring nature.

Long term financial planning of capital expenditures is critical. Anticipating these projects and their associated costs, while scheduling sources to cover these costs is accomplished through the City's Capital Improvement Program (CIP). Knoxville maintains a five year CIP, and is always looking to the future to anticipate needs.

	5-Year CIP Expenditures												
		2016		2017		2018	2019		2020	To	tal		
Streets	\$	1,616,428	\$	1,616,428	\$	1,273,562	\$ 1,273,562	\$	1,172,320	\$	6,952,300		
Sidewalks	\$	130,000	\$	130,000						\$	260,000		
1&1	\$	76,200			\$	1,600,000	\$ 1,600,000			\$	3,276,200		
Recreation Center Expansion*	\$	2,070,000								\$	2,070,000		
Library Expansion*	\$	2,575,000								\$	2,575,000		
Trails System*	\$	1,055,000								\$	1,055,000		
Park Improvements*	\$	785,000								\$	785,000		
VERF	\$	435,117	\$	143,595	\$	1,041,071	\$ 818,844	\$	24,000	\$	2,462,627		
Total by Year	\$	8,742,745	\$	1,890,023	\$	3,914,633	\$ 3,692,406	\$	1,196,320	\$	19,436,127		

	5-Year CIP Sources													
		2016		2017		2018		2019		2020	2020 Tot			
Street Bonds	\$	2,000,000	-		\$	2,000,000	-		\$	2,000,000	\$	6,000,000		
Intergovernmental											\$	-		
Street Funds	\$	616,428	\$	616,428	\$	273,562	\$	273,562	\$	172,320	\$	1,952,300		
Sewer Funds	\$	2,016	\$	2,017	\$	2,018	\$	2,019	\$	2,020	\$	10,090		
LOST		-	-		-		-				\$	-		
Recreation Center Expansion*	\$	2,070,000	-		-		-		-		\$	2,070,000		
Library Expansion*	\$	2,575,000	-		-		-		-		\$	2,575,000		
Trails System*	\$	1,055,000	-		-		-		-		\$	1,055,000		
Park Improvements*	\$	785,000	-		-		-		-		\$	785,000		
VERF	\$	445,934	\$	411,792	\$	420,440	\$	410,036	\$	418,647	\$	2,106,849		
Total	\$	9,549,378	\$	1,030,237	\$	2,696,020	\$	685,617	\$	2,592,987	\$	16,554,239		

<sup>\*</sup>Projects dependent on November Bond Referendum

Major nonrecurring projects in the CIP include the following:

Streets – Street replacement would typically be considered recurring in nature, but the
City is anticipating a nonrecurring increase in investment. Over the next ten years the
City anticipates almost \$15 million in investment streets, which represents a significant
increase from prior years. Funding for these improvements will come from
intergovernmental revenues and bonds. A tentative schedule is below.

	Ter	ntative 5 Year	ar Paving So	chedule		
	2016	2017	2018	2019	2020	Grand Total
1ST ST	\$180,020	\$180,020	\$28,160	\$28,160		\$416,361
2ND ST			\$107,665	\$107,665	\$49,861	\$265,192
3RD ST					\$28,444	\$28,444
3RD ST PL					\$25,728	\$25,728
4TH ST					\$90,737	\$90,737
5TH ST					\$13,650	\$13,650
6TH ST					\$92,408	\$92,408
7TH ST					\$197,719	\$197,719
BROBST ST					\$54,683	\$54,683
COMPETINE ST					\$44,271	\$44,271
CONREY AVE						\$0
CRONKHITE ST					\$48,101	\$48,101
DAYTON ST					\$9,260	\$9,260
DOLORES ST			\$105,010	\$105,010		\$210,021
DOUGLAS ST	\$9,193	\$9,193	\$48,959	\$48,959		\$116,304
FOREST DR			\$13,213	\$13,213		\$26,427
FREMONT ST			\$120,902	\$120,902	\$9,461	\$251,264
GEBHARDT ST	\$118,559	\$118,559				\$237,118
GRANT ST					\$100,784	\$100,784
HARLAN ST	\$27,922	\$27,922			\$14,524	\$70,368
IOWA ST					\$51,423	\$51,423
JACKSON ST	\$124,348	\$124,348				\$248,695
JEFFERSON ST	\$107,238	\$107,238	\$48,913	\$48,913	\$93,180	\$405,483
KENT ST	\$192,950	\$192,950			\$93,066	\$478,965
LARSON ST	\$167,969	\$167,969	\$9,787	\$9,787		\$355,512
LEVIN DR			\$21,956	\$21,956		\$43,911
MADISON ST	\$104,103	\$104,103			\$10,995	\$219,201
MAIN ST	\$14,435	\$14,435				\$28,869
MARION ST			\$43,054	\$43,054		\$86,109

Grand Total	\$1,616,428	\$1,616,428	\$1,273,562	\$1,273,562	\$1,172,320	\$6,952,302
WASHINGTON ST	\$86,221	\$86,221			\$35,592	\$208,034
VALLEY DR			\$46,046	\$46,046		\$92,091
SUNRISE DR					\$17,824	\$17,824
STONE DR			\$35,577	\$35,577		\$71,153
STADIUM ST	\$48,933	\$48,933				\$97,866
SPRUCE ST					\$17,679	\$17,679
SOUTH ST			\$46,677	\$46,677		\$93,353
SHAPPEL ST			\$50,798	\$50,798		\$101,596
ROCK ISLAND ST			\$84,865	\$84,865		\$169,731
ROCHE ST			\$14,945	\$14,945		\$29,890
ROBINSON ST	\$330,794	\$330,794				\$661,587
ROBIN ST	\$78,031	\$78,031				\$156,062
PLEASANT ST	\$14,096	\$14,096			\$72,930	\$101,121
PEARL ST			\$41,673	\$41,673		\$83,346
PARK LANE DR			\$286,604	\$286,604		\$573,207
MONTGOMERY ST	\$11,618	\$11,618	\$118,758	\$118,758		\$260,751

- 2. Sidewalks In prior years the City began a program of improving and repairing sidewalks throughout the community. City Code stipulates that sidewalks are the responsibility of adjoining property owners. This means the work being done by the City will be completed for \$130,000 in each of fiscal years 2016 and 2017, ending the program and the City's obligation. Local Option Sales Tax revenues are being used to fund this project.
- 3. Infiltration and Inflow The Iowa Department of Natural Resources requires cities to minimize the amount of infiltration and inflow (I&I) into sanitary sewer systems. This project is part of a 5-year compliance schedule the City has agreed to with the Iowa Department of Natural Resources. The project includes the installation of cured- in-place piping (CIPP) for 79,000 linear feet of sewer pipe, installation of new manholes, and inspection of the project sewer mains.

Work on limiting I&I in the system has been broken into phases based on regions of the City. The current phase is nearly completed, and will be finished in FY 2016. It is anticipated that work on the next area will begin in FY 2018 and be completed in FY 2019.

4. Projects on the ballot – In the upcoming November City Election voters will be presented several projects across the City that will bond funding to proceed. These projects include expansion of the City's current Recreation Center, expansion of the

City's Library, building a multi-use trail system around the City, and park improvements that would include restrooms, tennis courts, and a skate park.

5. Vehicle and Equipment Replacement Fund – The Vehicle and Equipment Replacement Fund (VERF) is the City's plan to replace and maintain its fleet and major pieces of equipment. It is funded through Road Use Tax Funds, Sewer Revenues, and Local Option Sales Tax. Annual contributions are made to the fund for all vehicles and equipment, and are based on the assets cost, useful life, salvage value at end of life, and inflated across years of useful life. In FY 2016 it is anticipated that \$445,934 will be contributed to the fund with \$110,029 coming from Road Use Tax, \$29,716 from Sewer, and \$306,190 from Local Option Sales Tax. Assets to be replaced are as follows:

Description	Replacement C	ost
Ambulance	\$	35,000
2WD Pick Up Truck	\$	24,117
Patrol Car	\$	29,000
Pickup Truck	\$	22,000
Trailer	\$	5,000
Crack Sealer	\$	50,000
Front End Loader	\$	130,000
Vee-Plow	\$	20,000
Dump Truck	\$	120,000
Total	\$	435,117

With any capital plan, the expenditures do not end with the completion of the improvement. Investment continues in the form of staffing, maintenance, and changes in necessary costs such as utilities. These new expenditures become part of the short- and long-term operating costs, which must be taken into account before beginning any improvement.

The anticipated changes to operations and management following capital improvements include the following:

Improvement Project	O&M Impact	Explanation
Streets	neutral	By upgrading existing street infrastructure, the City will be able to prioritize crack sealing and patching to maintain the improvements, while extending the life of the remaining streets.
Sidewalks	neutral	Once the City has completed this project, maintenance and improvements to the sidewalks become the responsibility of the property owner per the Code of Ordinances.

#### Infiltration and Inflow neutral-As most sewer pipe within the corporate positive limits of Knoxville will have either been replaced or lined, there are little-to-no new operational costs. The worst-case scenario is that the long-run impact on O&M will be neutral. There is the potential for lower costs as the Water Reclamation plant would no longer need to manage overflow during rain events, bringing down regulatory and water treatment costs. Ballot Projects\* **Recreation Center** negative The expansion of the Recreation Center would provide more space to allow for more **Expansion** fitness classes, and possibly some new fitness equipment. The fitness equipment is planned to be purchased as part of the bond and there will be no immediate need for an increase in staff, so those costs are not factored into O&M in the next 5 years. There are, however, anticipated increases to utility costs due to the added space. **Library Expansion** neutral-The Library expansion will not require the negative hiring of additional staff within the next 5 years. Best-case scenario is there will be no impact to O&M in the immediate future as a new HVAC system and energy-efficient architecture and building materials will offset the increase in utility usage. Extending the City's trail system is expected **Trail System** negative to moderately increase costs in the Streets and Parks departments to clean debris and maintain the trails. There may also be increased costs to care for any parks that may be created as part of the trails project. neutral Improvements to the parks are expected to **Park Improvements** offset each other in maintenance costs. New restrooms would require some extra maintenance to prolong their useful life, however the maintenance on the tennis courts would be shared with the school district, and the new skatepark would be built of durable materials that require significantly less maintenance compared to the current

neutral

**Vehicle and Equipment** 

facilities constructed of metal and wood.

The VERF has a neutral impact on the

### Replacement Fund (VERF)

\*Projects dependent on November bond referendum

budget. New vehicles and equipment are purchased to replace older, maintenance-heavy units. More money is added to the fund each year than what is required for annual contributions to help absorb the cost of unplanned expenditures.

# **Debt Schedules**

## City of Knoxville, Iowa

**Projection of Debt Service Levy & Tax Rate Impact** 

Valuation Growth	
Future Valuation Growth	0.00%

Tax Rate Impact Summary								
Tax Impact FY 2017	\$0.0587							
Tax Impact FY 2018	(\$0.0222)							
Tax Impact FY 2019	\$0.0754							

									•			
	T2' 1		TD . 4 . 1	TOTAL	T. 1.41	Ctt		FAX RATES	<u>S</u>		TOTAL	- TOTAL
	Fiscal		Total	TOTAL	Existing Tax	Street	Rec				TOTAL TAX	TOTAL
	Year		Taxable	TAXES	Rate/	Imprvm't	Center	Library	Trails	Parks	RATE	OTHER
	Payable		Valuation	LEVIED	\$1,000	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	\$1,000	SOURCES
2011	-	2012	190,564,748	571,193	2.99737						2.99737	295,870
2012	-	2013	189,663,419	562,142	2.96389						2.96389	3,377
2013	-	2014	196,767,731	749,313	3.80811						3.80811	567,203
2014	-	2015	205,239,051	770,621	3.75475						3.75475	369,628
2015	-	2016	201,949,324	697,386	3.45327						3.45327	385,338
2016	-	2017	201,949,324	1,488,163	3.51202	0.89536	0.93471	1.17850	0.43796	0.41044	7.36899	360,915
2017	-	2018	201,949,324	1,457,281	3.48986	0.86181	0.91857	1.12731	0.42416	0.39437	7.21607	358,605
2018	-	2019	201,949,324	1,658,309	3.56526	1.77167	0.90542	1.13605	0.42027	0.41284	8.21151	360,800
2019	-	2020	201,949,324	1,486,491	2.73293	1.72564	0.91514	1.14185	0.44015	0.40500	7.36071	362,450
2020	-	2021	201,949,324	1,489,631	1.85591	2.64636	0.92285	1.12054	0.43413	0.39647	7.37626	363,370
2021	-	2022	201,949,324	1,480,927	1.85730	2.60955	0.90397	1.12264	0.42754	0.41217	7.33316	368,195
2022	_	2023	201,949,324	1,380,283	0.44328	3.51309	0.90879	1.12269	0.44515	0.40180	6.83480	367,160
2023	_	2024	201,949,324	1,287,862	0.00990	3.48263	0.91167	1.14527	0.43683	0.39086	6.37715	0
2024	_	2025	201,949,324	1,471,329	0.00990	4.39093	0.91263	1.14006	0.42796	0.40416	7.28564	0
2025	_	2026	201,949,324	1,469,689	0.00990	4.36367	0.91174	1.13275	0.44336	0.41609	7.27751	0
2026	_	2027	201.949.324	1,465,349	0.00990	4.37833	0.90921	1.12364	0.43296	0.40198	7.25602	0
2027	_	2028	201,949,324	1,468,377	0.00990	4.38472	0.90485	1.13725	0.42211	0.41218	7.27102	0
2028	_	2029	201,949,324	1,383,373	0.00990	4.38322	0.89853	1.12290	0.43554	0.00000	6.85010	0
2029	_	2030	201,949,324	1,388,939	0.00990	4.39864	0.91501	1.13112	0.42299	0.00000	6.87766	0
2030	_	2031	201,949,324	1,386,739	0.00990	4.38156	0.90399	1.13644	0.42299	0.00000	6.86676	0
2030		2031	201,777,327	1,500,757	0.00770	7.50150	0.70377	1.130-1-1	0.75707	0.00000	0.00070	

Notes: - G.O. Debt Service includes the debt service payments on the bonds payable only from property taxes

- Excludes the \$2.2 million General Obligation Bonds payable from the Sewer Enterprise Fund

7	'isca Year iyab	r	Library Series 2016C	Trails Series 2016D	Parks Series 2016E	Pro Series 2016A	oposed G.O Series 2018A	. Street Imp Series 2020A	orovement I Series 2022A	Bonds Series 2024A	Fiscal Fees	Other Uses <sup>1)</sup>	Total Uses	Surplus (Deficit)	Ending Balance
2011	_	2012									2,000	(1,178,250)	(213,065)	1,080,128	1,330,830
2011	-	2012									1,500	1,210,389	1,970,199	(1,404,680)	(73,850)
2012		2013									*	* *	, ,		
	-										1,775	41,685	1,143,795	172,722	98,871
2014	-	2015									1,775		1,097,230	43,019	141,891
2015	-	2016									1,775		1,054,200	28,524	170,414
2016	-	2017	237,997	88,447	82,889	180,817					2,225		1,849,078	0	170,414
2017	-	2018	227,659	85,659	79,644	174,041					2,225		1,815,886	0	170,414
2018	-	2019	229,425	84,873	83,373	176,971	180,817				3,225		2,019,109	0	170,414
2019	-	2020	230,597	88,889	81,789	174,451	174,041				2,725		1,848,941	0	170,414
2020	-	2021	226,292	87,673	80,067	176,643	176,971	180,817			2,725		1,853,001	0	170,414
2021	-	2022	226,717	86,341	83,237	178,506	174,451	174,041			2,725		1,849,122	0	170,414
2022	-	2023	226,726	89,898	81,144	175,035	176,643	176,971	180,817		2,725		1,747,443	0	170,414
2023	-	2024	231,286	88,218	78,934	176,317	178,506	174,451	174,041		2,000		1,287,862	0	170,414
2024	_	2025	230,234	86,426	81,620	177,280	175,035	176,643	176,971	180,817	2,000		1,471,329	0	170,414
2025	_	2026	228,759	89,536	84,030	177,926	176,317	178,506	174,451	174,041	2,000		1,469,689	0	170,414
2026	_	2027	226,919	87,436	81,180	178,272	177,280	175,035	176,643	176,971	2,000		1,465,349	0	170,414
2027	_	2028	229,667	85,246	83.240	178,292	177,926	176,317	178,506	174,451	2,000		1.468.377	0	170,414
2028	_	2029	226,769	87,958	05,210	177,960	178,272	177,280	175,035	176,643	2,000		1,383,373	0	170,414
2029	_	2030	228,429	85,422	0	177,264	178,272	177,280	176,317	178,506	2,000		1,388,939	0	170,414
	-		,	· ·		,	*	*	,	*	,		, ,	_	, i
2030	-	2031	229,504	87,822	0	176,307	177,960	178,272	177,280	175,035	2,000		1,386,739	0	170,414
														l	

## City of Knoxville, Iowa Projection of G.O. Debt Capacity

Valuation Growth & Debt Limit						
Assumptions Future Valuation Growth	0.00%					
Legal Limit	5.00%					
Effective Limit	85%					

Beginning		Historical			EXISTING G.O. DEBT ISSUES *		
of Fiscal	Actual	Valuation	Gross	Effective	G.O.	G.O.	G.O.
Year	Valuation	Growth	Debt Limit	Debt Limit	- TAXES	- SEWER	- LOST
FY 2010-11	315,154,803	(3.51%)	15,757,740	13,394,079	5,479,000	1,696,000	
FY 2011-12	315,631,544	0.15%	15,781,577	13,414,341	4,913,000	1,567,000	
FY 2012-13	307,835,232	(2.47%)	15,391,762	13,082,997	4,315,000	1,380,000	3,360,000
FY 2013-14	310,579,266	0.89%	15,528,963	13,199,619	5,100,000	0	3,360,000
FY 2014-15	313,823,408	1.04%	15,691,170	13,337,495	4,470,000	0	3,040,000
FY 2015-16	313,286,906	(0.17%)	15,664,345	13,314,694	3,835,000	0	2,720,000
FY 2016-17	313,286,906	0.00%	15,664,345	13,314,694	3,235,000	0	2,395,000
FY 2017-18	313,286,906	0.00%	15,664,345	13,314,694	2,610,000	0	2,065,000
FY 2018-19	313,286,906	0.00%	15,664,345	13,314,694	1,975,000	0	1,735,000
FY 2019-20	313,286,906	0.00%	15,664,345	13,314,694	1,310,000	0	1,400,000
FY 2020-21	313,286,906	0.00%	15,664,345	13,314,694	795,000	0	1,060,000
FY 2021-22	313,286,906	0.00%	15,664,345	13,314,694	445,000	0	715,000
FY 2022-23	313,286,906	0.00%	15,664,345	13,314,694	85,000	0	360,000
FY 2023-24	313,286,906	0.00%	15,664,345	13,314,694	0	0	0
FY 2024-25	313,286,906	0.00%	15,664,345	13,314,694			
FY 2025-26	313,286,906	0.00%	15,664,345	13,314,694			
FY 2026-27	313,286,906	0.00%	15,664,345	13,314,694			
FY 2027-28	313,286,906	0.00%	15,664,345	13,314,694			
FY 2028-29	313,286,906	0.00%	15,664,345	13,314,694			
FY 2029-30	313,286,906	0.00%	15,664,345	13,314,694			
FY 2030-31	313,286,906	0.00%	15,664,345	13,314,694			
FY 2031-32	313,286,906	0.00%	15,664,345	13,314,694			

 $<sup>\</sup>ensuremath{^*}$  - Represents G.O. principal outstanding as of the BEGINNING of the fiscal year.

Beginning	9	TOTAL				
of Fiscal	Lease	Weiler	Weiler #2	Cobblestone	Park Lane	EXISTING
Year	Purchase	Agreement	Agreement	Agreement	Agreement	G.O. DEBT
FY 2010-11	34,864	199,434				7,409,298
FY 2011-12	17,849	199,434		560,000	2,300,936	9,558,219
FY 2012-13	65,521	199,434	0	560,000	2,118,673	11,998,628
FY 2013-14	65,521	159,524		560,000	2,118,673	11,363,718
FY 2014-15	43,681	119,614	45,000	514,666	1,959,309	10,192,270
FY 2015-16	21,841	79,704	45,000	484,004	1,959,309	9,144,858
FY 2016-17	0	39,794	45,000	451,393	1,792,139	7,958,325
FY 2017-18		0	45,000	416,795	1,792,139	6,928,933
FY 2018-19		0	45,000	380,090	1,618,693	5,753,783
FY 2019-20		0	45,000	341,209	1,621,309	4,717,518
FY 2020-21		0	45,000	299,902	1,438,622	3,638,524
FY 2021-22			45,000	256,078	1,441,239	2,902,317
FY 2022-23			45,000	209,586	1,248,572	1,948,158
FY 2023-24			45,000	160,292		205,292
FY 2024-25			0	107,967		107,967
FY 2025-26			0	52,454		52,454
FY 2026-27			0	0		0
FY 2027-28			0	0		0
FY 2028-29			0	0		0
FY 2029-30			0	0		0
FY 2030-31			0	0		0
FY 2031-32			0	0		0

Beginning	Rec Center	Library	Trails	Parks	Propos	ed G.O. Street	Improvement l	Bonds
of Fiscal	Series	Series	Series	Series	Series	Series	Series	Series
Year	2016B	2016C	2016D	2016E	2016A	2018A	2020A	2022A
FY 2010-11								
FY 2011-12								
FY 2012-13								
FY 2013-14								
FY 2014-15								
FY 2015-16	2,070,000	2,575,000	1,055,000	785,000	2,075,000			
FY 2016-17	2,070,000	2,575,000	1,055,000	785,000	2,075,000			
FY 2017-18	1,960,000	2,435,000	995,000	730,000	1,960,000	2,075,000		
FY 2018-19	1,845,000	2,295,000	935,000	675,000	1,845,000	2,075,000		
FY 2019-20	1,730,000	2,150,000	875,000	615,000	1,725,000	1,960,000	2,075,000	
FY 2020-21	1,610,000	2,000,000	810,000	555,000	1,605,000	1,845,000	2,075,000	
FY 2021-22	1,485,000	1,850,000	745,000	495,000	1,480,000	1,725,000	1,960,000	2,075,000
FY 2022-23	1,360,000	1,695,000	680,000	430,000	1,350,000	1,605,000	1,845,000	2,075,000
FY 2023-24	1,230,000	1,535,000	610,000	365,000	1,220,000	1,480,000	1,725,000	1,960,000
FY 2024-25	1,095,000	1,365,000	540,000	300,000	1,085,000	1,350,000	1,605,000	1,845,000
FY 2025-26	955,000	1,190,000	470,000	230,000	945,000	1,220,000	1,480,000	1,725,000
FY 2026-27	810,000	1,010,000	395,000	155,000	800,000	1,085,000	1,350,000	1,605,000
FY 2027-28	660,000	825,000	320,000	80,000	650,000	945,000	1,220,000	1,480,000
FY 2028-29	505,000	630,000	245,000	0	495,000	800,000	1,085,000	1,350,000
FY 2029-30	345,000	430,000	165,000	0	335,000	650,000	945,000	1,220,000
FY 2030-31	175,000	220,000	85,000	0	170,000	495,000	800,000	1,085,000
FY 2031-32	0	0	0	0	0	335,000	650,000	945,000
- 1 2001 02	· ·	0		0	0	-222,000	-020,000	,

Beginning of Fiscal Year	TOTAL ALL G.O. DEBT	Available Effective Capacity	% of Gross Debt Limit Utilized	Beginning of Fiscal Year
		•		
FY 2010-11	7,409,298	5,984,781	47.02%	FY 2010-11
FY 2011-12	9,558,219	3,856,121	60.57%	FY 2011-12
FY 2012-13	11,998,628	1,084,369	77.95%	FY 2012-13
FY 2013-14	11,363,718	1,835,901	73.18%	FY 2013-14
FY 2014-15	10,192,270	3,145,224	64.96%	FY 2014-15
FY 2015-16	17,704,858	(4,390,165)	113.03%	FY 2015-16
FY 2016-17	16,518,325	(3,203,632)	105.45%	FY 2016-17
FY 2017-18	17,083,933	(3,769,240)	109.06%	FY 2017-18
FY 2018-19	15,423,783	(2,109,089)	98.46%	FY 2018-19
FY 2019-20	15,847,518	(2,532,825)	101.17%	FY 2019-20
FY 2020-21	14,138,524	(823,830)	90.26%	FY 2020-21
FY 2021-22	14,717,317	(1,402,623)	93.95%	FY 2021-22
FY 2022-23	12,988,158	326,536	82.92%	FY 2022-23
FY 2023-24	10,330,292	2,984,401	65.95%	FY 2023-24
FY 2024-25	9,292,967	4,021,727	59.33%	FY 2024-25
FY 2025-26	8,267,454	5,047,239	52.78%	FY 2025-26
FY 2026-27	7,210,000	6,104,694	46.03%	FY 2026-27
FY 2027-28	6,180,000	7,134,694	39.45%	FY 2027-28
FY 2028-29	5,110,000	8,204,694	32.62%	FY 2028-29
FY 2029-30	4,090,000	9,224,694	26.11%	FY 2029-30
FY 2030-31	3,030,000	10,284,694	19.34%	FY 2030-31
FY 2031-32	1,930,000	11,384,694	12.32%	FY 2031-32

## **Administration**

# **About the Department**

The City of Knoxville department of Administration includes the City Manager, Assistant City Manager, City Clerk, and City Attorney.

The City Manager is appointed by the City Council and is responsible for assisting them in making informed policy decisions on behalf of the community. The Manager is also responsible for managing the day to day operations of the city organization, including the city's finances, handling all personnel matters, and ensuring compliance with city code, state laws, and federal laws.

The Assistant City Manager supports the city manager with day-to-day operations of the city and assists with the administration of policies as directed by the City Council. In the City of Knoxville, the Assistant City Manager oversees the Planning and Zoning, Building Inspections, and Administration departments. The Public Works Department also reports to this position.

The City Clerk is responsible for the general administration, development, and direction of the City Clerk's Office. The City Clerk also serves as Chief Accounting Officer for the city. The responsibilities of the City Clerk's Office include:

- Maintaining the City Code
- Prepares City Council actions including, agendas, minutes, ordinances, resolutions, deeds, and bonds
- Monitors all bank accounts and depositing funds in the banks designated by the City Council in amounts not to exceed the depository limits set by law
- Monitors and manages debt services and investments and accounting and bookkeeping functions
- Issues licenses including: liquor licenses, peddler permits, and special event permits
- Processes payroll for all City employees
- Assists under direction of the City Manager in the collective bargaining, day-to-day grievance procedures, mediation, and arbitration proceedings
- Assists in City budget preparation and prepares all State budget reports

The City Attorney is appointed by the City Council and provides legal counsel to the Council and Staff. When appropriate and not otherwise provided, the City Attorney also represents the City in all court proceedings.

A full-time paid City Management Internship was created in FY 2015 for a recent graduate of a Master's program. The current intern began in December 2014. It is expected to be a 1-2 year position which will continue with a new intern upon the completion of the current intern's tenure.

## **Personnel**

Administration			
Regular Full Time	FY 2014	FY 2015	FY 2016
City Manager	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00
Receptionist	0.50	0.50	0.50
Intern		1.00	1.00
Maintenance Technician	0.20	0.20	0.20
Total*	3.70	4.70	4.70

<sup>\*</sup>Administration total does not include Assistant City Manager position, which is instead listed in the departments from which the position is funded.

# **Department Budget**

## **City Clerk**

		FY 2015		FY 2016 Proposed		% Difference
Personnel		\$	49,646	\$	51,135	3%
Operations		\$ 25,150		\$ 26,350		4.77%
	Total	\$	74,796	\$	77,485	3.6%

## **Budget Highlights**

• No significant changes

## **City Hall**

		FY 2015		FY 2016 Proposed		% Difference
Personnel		\$	57,148	\$	62,466	9.31%
Operations		\$ 97		\$	73,250	-25.18%
	Total	\$	155,048	\$	135,716	-12.47%

## **Budget Highlights**

• In FY 2015, replacement of 9 heating units were budgeted. FY 2016 budget includes replacement of 1 heating unit, resulting in a significant decrease.

## Mayor, City Council, and City Manager

		FY 2015	FY	2016 Proposed	% Difference
Personnel		\$ 120,236	\$	112,770	-6.21%
Operations		\$ 53,850	\$	42,550	-20.98%
	Total	\$ 174,086	\$	155,320	-10.78%

#### **Budget Highlights**

- \$30,000 of City Manager's salary will be budgeted in "Economic Development" business unit
- \$15,000 for Spring Cleanup activity in Spring 2016
- \$2,000 for new City Manager laptop
- Community Survey was budgeted in FY 15, resulting in decrease for FY 16

## **Economic Development**

		FY 2015	FY 2016 Proposed		% Difference
Personnel		\$ 30,000	\$	30,000	-
Operations		\$ 508,860	\$	179,260	-64.8%
	Total	\$ 538,860	\$	209,260	-61.17%

#### **Budget Highlights**

- New business unit created to track and account for Economic Development-related activities
- \$5,000 Greater Des Moines Partnership plus \$2,000 to attend trade shows
- \$100,000 to Knoxville Economic Development Commission (KEDC)
- \$30,000 financial contribution to Grand Theater
- \$2,000 financial contribution to Sprint Car Hall of Fame for Vision Iowa Grant

# **Knoxville Municipal Airport**

# **About the Department**

The Knoxville Municipal Airport requires no overnight fees or tie-down fees, and is open 24 hours a day, 7 days per week. The airport is home to Knoxville Aviation which has 100LL and Jet A fuel sales, helicopter and fixed wing maintenance, flight instruction and a rental aircraft.

Knoxville Municipal Airport has a 4,000 X 75 ft single runway that is constructed of concrete with and adjacent parallel taxiway. "Jim Bellamy Field" serves a number of Knoxville businesses, medical emergency services and recreational users and provides many more services to the community. The airport includes 34 T hangar facilities. Also located on the airport grounds are a maintenance facility, two community hangars, fuel farm, and ramp space with 18 tie-down areas. An Automated Weather Observing System (AWOS) is also located on site. The terminal area consists of a lobby, conference room, pilot lounge, restrooms, office space and kitchenette. There is even a courtesy vehicle available for our guests who need to make a quick trip into town!

The Knoxville Municipal Airport requires no overnight fees or tie-down fees, and is open 24 hours a day, 7 days per week. The airport is home to Knoxville Aviation which has 100LL and Jet A fuel sales, helicopter and fixed wing maintenance, flight instruction and a rental aircraft.

#### Personnel

The Knoxville Airport is operated by a Fixed Base Operator (FBO) who acts a contract employee on behalf of the City.

Expenditures	FY 2015		FY 201	6 Proposed	% Difference
Operations	\$	106,615	\$	115,315	7.54%
Improvements	\$	740,800	\$	242,861	-67.22 %
Total Expenses	\$	847,415	\$	358,176	-57.73%

Revenues	ا	FY 2015	FY 2016 Proposed		% Difference
Revenues	\$	72,600	\$	83,290	12.83%
Grants	\$	666,714	\$	218,861	-67.17%
Rev Subtotal	\$	739,314	\$	302,151	-59.13%
GF Support Required	\$	108,101	\$	56,025	-48.17%

# **Budget Highlights**

- There is a budgeted transfer from the General Fund to the Airport account of \$50,000. \$32,000 is to balance the expenditures and \$18,000 is to decrease the negative balance on the books.
- \$24,000 budgeted for apron work to get 90% Federal funding (total project cost \$242,861)

## **Fire and Rescue**

## **Mission Statement**

To protect lives, property and environment by providing a high level of professional fire, rescue and educational services to our customers

## **About the Department**

The paid and part-paid staff of 30 firefighters and EMS personnel dedicates themselves to providing the highest level of expertise and standard of care to over 13,000 people.

The staff averages over 1,200 hours in fire suppression, emergency medical services, confined space, hazardous materials, auto extrication, and water rescue training annually. The Knoxville Fire and Rescue Department also responds to nearly 1,300 calls annually. The services are provided by our professional firefighters and EMS personnel who are highly dedicated, caring, and friendly in their approach to all emergency situations.

#### Personnel

Fire			
Regular Full Time*	FY 2014	FY 2015	FY 2016
Fire Chief	0.50	0.50	0.50
Firefighters	25.00	25.00	25.00
Total	0.50	0.50	0.50

Rescue			
Regular Full Time*	FY 2014	FY 2015	FY 2016
Fire Chief	0.50	0.50	0.50
Deputy EMS Chief	1.00	1.00	1.00
Lieutenant EMS	1.00	1.00	1.00
Paramedic	13.00	13.00	13.00
EMT	12.00	12.00	12.00
Total	27.50	27.50	27.50

<sup>\*</sup>Counts include "paid on call" staff



Expenditures	F	FY 2015 FY 2016 Proposed		Difference	
Personnel	\$	351,185	\$	368,800	5.02%
Operations	\$	229,283	\$	219,538	-4.25%
Total Expenditures	\$	580,468	\$	588,338	1.36%

Revenues	·	FY 2015		16 Proposed	Difference
Rescue Services	\$	440,000	\$	455,000	3.41%
Public Sources	\$	0	\$	0	-
Rev Subtotal	\$	440,000	\$	455,000	3.41%
GF Support Required	\$	140,468	\$	133,338*	-5.08%

<sup>\*77.3%</sup> Self-Sustaining

# **Budget Highlights**

- \$15,000 ambulance lease payment (\$15k General Fund and \$30,000 from LOST)
- \$6,250 increase in budgeted dispatching services

# Library

#### **Mission**

The mission of the Knoxville Public Library is:

- To provide multiple resources for recreation and lifelong learning
- To foster a learning environment for children, teens and adults
- To provide access to technology to residents of Knoxville and rural Marion County

# **About the Department**

The Knoxville Public Library was originally built in 1912, thanks to a \$10,000 donation from Mr. Andrew Carnegie. The City of Knoxville donated the land and promised to fund it annually to keep staff, materials, and operations going. In 1988, a capital campaign was initiated to obtain funds to expand the building, which had not grown with the increasing needs of the community. Collection sizes had grown in number and format, along with an expansion of services. By 1990, the library doubled in size and became American Disabilities Act (ADA) compliant.

#### Personnel

Library			
Regular Full Time	FY 2014	FY 2015	FY 2016
Library Director	1.00	1.00	1.00
Assistant Librarian	1.00	1.00	1.00
Children's Librarian	1.00	1.00	1.00
Front Desk Librarian	4.00	4.00	4.00
Maintenance Technician	0.20	0.20	0.20
Total	7.20	7.20	7.20



Expenditures	FY 2015	FY 201	6 Proposed	Difference
Personnel	\$ 168,825	\$	177,785	5.3%
Operations	\$ 117,920	\$	112,320	-4.75%
Expenditure Total	\$ 277,891	\$	285,545	2.75%

Revenues	FY 2015	FY 20	16 Proposed	Difference
Library Revenues	\$ 44,975	\$	48,425	7.67%
Levy	\$ 49,075	\$	50,898	3.71%
Rev Subtotal	\$ 94,050	\$	99,323	5.61%
GF Support Required	\$ 183,841	\$	186,222*	1.3%

<sup>\*34.8%</sup> Self-Sustaining

# **Budget Highlights**

 This information only includes the General Fund portion of the Library. The Knoxville Library also uses a Memorial Fund for the Library Expansion Project. Revenues to the Memorial Fund remain separate from the General Fund. This includes donations for the project, and/or rental income for the Gebhardt house.

# **Planning and Zoning**

# **About the Department**

The City of Knoxville uses zoning codes and development standards to protect the public health, safety, and general welfare of the community. These standards are adopted to ensure that development projects are:

- Designed and constructed appropriately
- Do not negatively impact surrounding properties
- Promote the realization of the Knoxville Comprehensive Plan

Different permits are required for projects including new construction and renovation, driveway replacement, signs, and fences. The City Council adopts policies, which regulate development and growth within the city, and staff's role is to properly enforce those policies.

## **Personnel**

Planning and Zoning			
Regular Full Time	FY 2014	FY 2015	FY 2016
Assistant City Manager	0.25	0.25	0.25
Building Inspector	0.50	0.50	0.50
Community Service Officer	0.50	0.50	0.50
Total	1.25	1.25	1.25

Expenditures	F	Y 2015	FY 201	6 Proposed	Difference
Personnel	\$	54,386	\$	56,050	3.06%
Operations	\$	17,490	\$	22,990	31.45%
Expenditure Total	\$	71,876	\$	79,040	9.97%

Revenues	F	Y 2015	FY 201	6 Proposed	Difference
Permit Fees	\$	48,985	\$	42,400	-13.44%
GF Support Required	\$	22,891	\$	36,640	60.06%

# **Budget Highlights**

• \$4,500 budget change in coding of departments for site plan reviews, now reflected in Planning and Zoning instead of Public Works

# **Police**

# **About the Department**

The Knoxville Police Department consists of 14 certified officers, two civilian positions, and one police canine. The department's sworn staff is made up of the chief, two lieutenants, and 11 officers. Specialty assignments within the department include:

Canine handler

- School resource officer
- Field training officer
- Taser instructor
- Firearms instructor
- Task force officer

Knoxville police officers are dispatched through the Marion County Sheriff's Office. Officers are on duty 24 hours a day, 7 days a week, 365 days a year.

Police			
Regular Full Time	FY 2014	FY 2015	FY 2016
Police Chief	1.00	1.00	1.00
Police Lieutenant	2.00	2.00	2.00
Police Officer	11.00	11.00	11.00
Community Service Officer	1.00	1.00	1.00
Admin Assistant	1.00	1.00	1.00
Total	16.00	16.00	16.00

Expenditures	F	FY 2015	FY 2016 Proposed		Difference
Personnel	\$	794,500	\$	835,000	5.1%
Operations	\$	162,450	\$	184,800	13.76%
Expenditure Total	\$	956,950	\$	1,019,800	6.57%

Revenues	F	Y 2015	FY 2010	6 Proposed	Difference
Misc Revenues (includes Fines)	\$	52,200	\$	55,000	4.76%
Federal, State & School Grants	\$	74,000	\$	79,000	6.76%
Rev Subtotal	\$	126,200	\$	134,000	6.18%
GF Support Required	\$	830,750	\$	885,800	6.63%

# **Budget Highlights**

- In third year of COPS grant, City of Knoxville is now responsible for 75% of the officer's salary.
- \$33,750 increase in budgeted dispatching services.

# **Public Works**

# **About the Department**

The City of Knoxville's Department of Public Works is responsible for the maintenance and preservation of municipal infrastructure. The City maintains over 120 miles of streets, three public parks, the Graceland Cemetery, and operates a municipal wastewater plant. Streets and sewers are the City's most expensive investments and the City works very hard to preserve these. In 2001, the City of Knoxville adopted the Statewide Urban Design Specifications Manual, or SUDAS, which influences design and specifications of infrastructure projects.



Auld Park

# **Personnel**

Cemetery Department						
Regular Full Time	FY 2014	FY 2015	FY			
			2016			
Supervisor	1.00	1.00	1.00			
Cemetery Laborer	1.00	1.00	1.00			
Total	2.00	2.00	2.00			

Stree	t Department		
Regular Full Time	FY 2014	FY 2015	FY 2016
Assistant City Manager	0.25	0.25	0.25
Supervisor	1.00	1.00	1.00
Streets Laborer	3.00	3.00	3.00
Total	4.25	4.25	4.25

Public Works Administration						
Regular Full Time FY 2014 FY 2015 FY 2016						
Engineering Technician	1.00	1.00	1.00			
Total	1.00	1.00	1.00			

Wastewater Department					
Regular Full Time	FY 2014	FY 2015	FY 0216		
Assistant City Manager	0.50	0.50	0.50		
Superindendent	1.00	1.00	1.00		
Wastewater Operator	4.00	4.00	4.00		
Total	5.50	5.50	5.50		

Cemetery



Expenditures	FY 15	FY 16 Proposed	% Difference
Personnel	\$ 125,138	\$ 128,736	2.88%
Operations	\$ 62,576	\$ 54,742	-12.52%
Total Expenditures	\$ 187,714	\$ 183,478	-2.26%

Revenues	FY 15	FY 16 Proposed	% Difference
Cemetery Svc /Lot Sales	\$ 61,300	\$ 55,700	-9.14%
Cemetery Roads Fund	\$ 1,400	\$ 1,125	-19.64%
Perpetual Care Fund	\$ 4,800	\$ 4,800	-
Rev Subtotal	\$ 67,500	\$ 61,625	-8.7%
GF Support Required	\$ 120,214	\$ 121,853	1.36%

# **Budget Highlights**

- \$1,000 to replace office furniture \$1,500 tiling for drainage issues

# Sewer



Expenditures	FY 15	FY 16 Proposed	% Difference
Personnel	\$ 364,136	\$ 378,307	3.89%
Operations	\$ 481,730	\$ 446,378	-7.34%
Total	\$ 845,866	\$ 824,685	-2.5%

Debt Service	FY 15	FY 16 Proposed	% Difference
SRF Loan	\$146,090	\$95,688	-34.5%
2008 Sewer Revenue	\$426,798	\$418,348	-1.98%
2010 Sewer Revenue	\$273,788	\$276,400	.95%

Budget Highlights\$35,000 administration cost transfer to General Fund

# **Street Lighting**

Expenditures	١	FY 15	FY 16 Proposed		% Difference
Operations	\$	38,428	\$	38,428	-



Expenditures	FY 15	FY 15		Proposed	% Difference
Personnel	\$	249,774	\$	256,360	2.64%
Operations	\$	294,636	\$	303,775	3.1%
Total	\$	544,410	\$	560,135	2.89%

# **Budget Highlights**

Increase in contribution to Vehicle and Equipment Replacement Fund for equipment replacement

# **Traffic Control and Safety**

Expenditures	FY 15	FY 16 Proposed		% Difference
Operations	\$ 34,651	\$	35,251	1.73%

# Recreation

## **Mission**

The Knoxville Recreation Center is dedicated to providing a variety of recreation, fitness, and wellness opportunities to enhance the quality of life for people in the Knoxville area and to maintain quality facilities and services to meet the community needs.

# **About the Department**

The City of Knoxville and the Knoxville Recreation Center welcomes all individuals and families to participate and enjoy programs and facilities, regardless of race, color, religion, sex, national origin, or disability. The City of Knoxville and the Knoxville Recreation Center encourages individuals with special needs to participate in our programs, classes, and events. We are here to help you meet your recreation, fitness, and wellness needs. We offer something for all ages. We have everything from preschool swim lessons to senior fitness classes. Services include:

- Wellness Assessments
- KaPOW (Kids and Parents on Weights 6-8 Grade)
- Personal Training
- Exercise Orientation (Walk through on how to use the equipment)

The Recreation Center is open 96 hours and 7 days a week to meet the needs of the community.



# **Personnel**

Recreation			
Regular Full Time	FY 2014	FY 2015	FY 2016
Recreation Director	1.00	1.00	1.00
Wellness Director	1.00	1.00	1.00
Office Manager	0.75	0.75	0.75
Front Desk	1.00	1.00	1.00
Fitness Instructor	1.00	1.00	1.00
Swim Team	0.50	0.50	0.50
Lifeguards	2.50	2.50	2.50
Maintenance Technician	0.60	0.60	0.60
Total	8.35	8.35	8.35

Expenditures	FY 15	FY 16	Proposed	Difference
Personnel	\$ 242,636	\$	258,608	6.58%
Operations	\$ 208,753	\$	200,763	-3.83%
Total Expenditures	\$ 451,389	\$	459,371	1.77%

Revenues	FY 15	FY 16	Proposed	Difference
Recreation Services	\$ 274,641	\$	281,336	2.44%
GF Support Required	\$ 176,748	\$	178,035*	0.73%

# **Citywide Personnel**

# Administration

Regular Full Time	FY 2014	FY 2015	FY 2016
City Manager	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00
Receptionist	0.50	0.50	0.50
Intern	0.00	1.00	1.00
Maintenance Technician	0.20	0.20	0.20
Total	3.70	4.70	4.70

Police			
Regular Full Time	FY 2014	FY 2015	FY 2016
Police Chief	1.00	1.00	1.00
Police Lieutenant	2.00	2.00	2.00
Police Officer	11.00	11.00	11.00
Community Service Officer	1.00	1.00	1.00
Admin Assistant	1.00	1.00	1.00

Admin Assistant Total 16.00 16.00 16.00

Zoning			
Regular Full Time	FY 2014	FY 2015	FY 2016
Assistant City Manager	0.25	0.25	0.25
Building Inspector	0.50	0.50	0.50
Community Service Officer	0.50	0.50	0.50
Total	1.25	1.25	1.25

Recreation			
Regular Full Time	FY 2014	FY 2015	FY 2016
Recreation Director	1.00	1.00	1.00
Wellness Director	1.00	1.00	1.00
Office Manager	0.75	0.75	0.75
Front Desk	1.00	1.00	1.00
Fitness Instructor	1.00	1.00	1.00
Swim Team	0.50	0.50	0.50
Lifeguards	2.50	2.50	2.50
Maintenance Technician	0.60	0.60	0.60
Total	8.35	8.35	8.35

	Library			
Regular Full Time		FY 2014	FY 2015	FY 2016
Library Director		1.00	1.00	1.00
Assistant Librarian		1.00	1.00	1.00
Childrens Librarian		1.00	1.00	1.00
Front Desk Librarian		4.00	4.00	4.00
Maintenance Technician		0.20	0.20	0.20
Total		7.20	7.20	7.20
	Fire			
Regular Full Time		FY 2014	FY 2015	FY 2016
Fire Chief		0.50	0.50	0.50
Firefighters		25.00	25.00	25.00
Total		0.50	0.50	0.50
	Rescue			
Regular Full Time		FY 2014	FY 2015	FY 2016
Fire Chief		0.50	0.50	0.50
Deputy EMS Chief		1.00	1.00	1.00
Lieutenant EMS		1.00	1.00	1.00
Paramedic		13.00	13.00	13.00
EMT		12.00	12.00	12.00
Total		27.50	27.50	27.50
	Cemetery Department			
Regular Full Time	, ,	FY 2014	FY 2015	FY 2016
Supervisor		1.00	1.00	1.00
Cemetery Laborer		1.00	1.00	1.00
Total		2.00	2.00	2.00
	Street Department			
Regular Full Time	- · · · · · · · · · · · · · · · · · · ·	FY 2014	FY 2015	FY 2016
Assistant City Manager		0.25	0.25	0.25
Supervisor		1.00	1.00	1.00
Streets Laborer		3.00	3.00	3.00
Total		4.25	4.25	4.25

# **Public Works Administration**

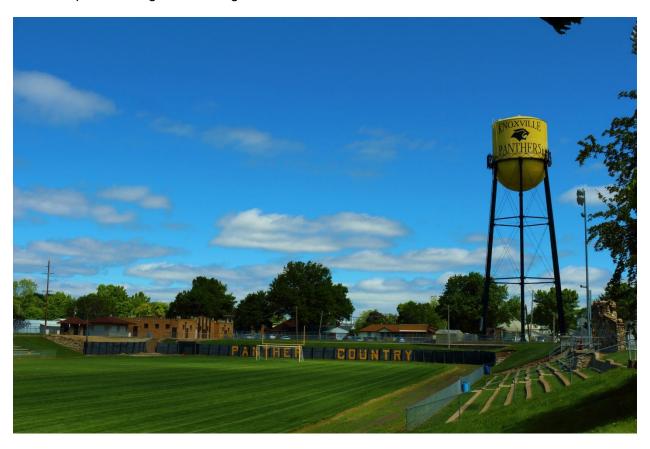
Regular Full Time	FY 2014	FY 2015	FY 2016
Engineering Technician	1.00	1.00	1.00
Total	1.00	1.00	1.00

# **Wastewater Department**

Regular Full Time	FY 2014	FY 2015	FY 2016
Assistant City Manager	0.50	0.50	0.50
Superintendent	1.00	1.00	1.00
Wastewater Operator	4.00	4.00	4.00
Total	5.50	5.50	5.50

Overall Total	78.25	78.25	78.25

<sup>\*</sup>No anticipated changes in staffing



## **About Knoxville**



Marion County Courthouse

Knoxville is located in south-central Iowa, some 25 miles southeast of Des Moines. The area was originally inhabited by Native Americans of the Sac and Fox tribes. At that time, prairie grass covered the countryside at heights of 8 to 10 feet. In 1835, Dragoons first explored the Des Moines River valley through this area. In 1842, the Sac and Fox Indians signed a treaty to sell lands in central Iowa to the new settlers known as the New Purchase of 1842. By 1843, settlers began moving here. The first Marion County Courthouse was erected three years later.

Knoxville was founded in 1845 when Joseph Robinson and James Montgomery, Commissioners from Scott and Wapello County, selected the site for Knoxville and designated it as the county seat. They named Knoxville in honor of General Henry Knox, hero of the Revolutionary War. The City's main streets are named after Robinson and Montgomery.

County surveyor Isaac B. Powers platted part of the town in September 1845, shortly after it was located. Clairborne Hall laid out the remainder of the town in the winter of 1846-47. Additional surveys were made in December 1849 and September 1852.

The first sale of lots on October 21, 1845 saw the best sites in town go for \$15 to \$65. The first survey made the streets 80 feet wide, alleys 10 feet wide, and lots 120' x 60', but the third survey changed the width of the streets to 50 feet, and made the blocks 265' x 240'.

The first Marion County courthouse was built on a lot owned by L.C. Corny. Contractor Lewis M. Pearch started work on May 29, 1846 at a cost of approximately \$80,000. The current

courthouse, constructed of sandstone in 1895, sits in the center of the town square. City buildings are located just 2 blocks south.

Knoxville remained an unincorporated village until 1853, when a movement for incorporation began. A judicial order was issued after an election in which 64 votes were cast in favor of incorporation, with 4 votes against. Knoxville was duly incorporated as a City in 1855.

One citizen did not like the town's name, and took it upon himself to change it in 1847. Lysander Babbitt was Postmaster General at the time, and believed the name, Knoxville, to be too easily confused with the city in Tennessee. He had business in Iowa City (the Iowa capital at the time) and secured passage of a bill in the State Assembly changing the name of the town to Osceola. He told the acting Postmaster upon his return, and word got out. Appalled at his capriciousness, a petition was quickly circulated and sent to Iowa City by special messenger. Wasting no time, local representative, Simeon Reynolds, drafted a bill reversing the previous action. It was discovered later that the new bill did not say anything about restoring the town's name. The joke of the nameless county seat continued for a few days until the Assembly could amend the bill.

Preaching services were held in Knoxville as early as 1845 when it belonged to a chain of preaching places known as Whitebreast Mission, Ottumwa District, Iowa Conference; James F. New was pastor. The first Knoxville church was built by the Methodist and dedicated May 28, 1865 on Lots 6 & 7, Block 28 (at present-day 505 and 509 East Main). The land for the church had been donated. The Reverend John Jay was the first minister.

Knoxville's first public library began in 1909 in a room inside the courthouse where the library association housed a small collection of books for lending. It was made a City institution in 1911, under the leadership of President Mrs. S.C. Johnston, Secretary Amanda Elliot, and Treasurer Ella McClure. The present library of brick construction was dedicated July 1, 1912 and made possible through the generosity of Andrew Carnegie.

Knoxville's first volunteer fire company was organized in 1865 but did not flourish. In 1874 a 50 member bucket brigade was formed with Fred Christofel as drill leader. John Merrill was the first fire chief.

A fourth class post office was established in March 2, 1846 with Lysander W. Babbitt as postmaster. It was elevated to third class on October 1, 1870 and second class by July 1907. Rural free delivery service was inaugurated in 1900. City deliveries were established in May 1900 with three regular routes.

The Marion County Fair Association was first organized in 1854 with the first fair being held in 1859 on the grounds just north of the present location. Fairs were continued until 1891, when the lowa Driving Park put the fair out of business. Later, when interest in stock breeding increased, the County Fair was revived, the Association leased the old ground, and new buildings were erected.

The Knoxville Electric Light and Power Company was organized in 1887. In 1894, a bad fire at the plant seriously hurt the operations. Early in the century, J. S. Bellamy and Mary A. Bellamy bought a controlling in interest in the company, and in 1914 it became the Marion County Electric Company. In January 1926, the Iowa Power & Light Company took over the lines.

The first bank was established in 1869. Prior to that time, the only banking done in Knoxville was through brokers J.E. Neal and Larkin Wright. The Iowa State Savings Bank was established in 1903 and the Community National Bank & Trust in 1933. The Iowa State Savings Bank continues to this day in Knoxville and nearby Melcher-Dallas.

Knoxville is known as the birthplace of the Iowa State flag, which was designed by Dixie Cornell Gebhardt. The flag was originally designed for Iowa regiments to carry as a unit identifier in World War I. The U.S. Patent Office issued Mrs. Cornell a copyright for the flag in 1921, and the Iowa State Assembly soon after made it Iowa's official State flag. Gebhardt explained that the blue stands for loyalty, justice and truth; the white for purity; and the red for courage. On the white center stripe is an eagle carrying in its beak blue streamers inscribed with the state motto: "Our liberties we prize, and our rights we will maintain." The house where Dixie



lived is currently owned by the Knoxville Public Library and houses the local Chamber of Commerce. She is interred in Graceland Cemetery, and her portrait hangs in the Lieutenant Governor's office at the Iowa State Capitol.

Another famous local resident was local lawyer turned former Iowa Governor William Milo Stone. He was a Union soldier in the Civil War, and was once held prisoner by Confederate troops until he was paroled by Jefferson Davis. He was the Republican nominee for governor in 1863, and promptly resigned from his commission in the Union Army. Stone was re-elected in 1865. He was a close friend of President Abraham Lincoln. He was at Ford's Theater the night the President was assassinated, and helped carry his body across the street to the Petersen House. Governor Stone is also interred in Graceland Cemetery.

In the 1960s, the Army Corps of Engineers, in an attempt to control flooding in the Des Moines River basin, constructed the 15,000 acre Lake Red Rock (Iowa's largest lake). Since then, it has become a tourist destination, providing numerous land and water recreation activities, including public beaches, an equestrian campground and trails, recreation trails, and fishing. The lake lies 8 miles north of Knoxville, and the landmark "Mile-Long Bridge" connects Knoxville to Interstate 80.



Along with being known as the "Birthplace of the Iowa Flag", Knoxville is also referred to as the "Sprint Car Capital of the World." The track was bought in the early 1800s and constructed for horse racing. Cars were not used on the track until 1914. Racing ceased during World War II,

but resumed by the end of the 1940s. In 1956, the Marion County Fair Board of Directors hired Marion Robinson to promote the track. Under his leadership, stock cars gave way to the modern "super-modified" sprint car. The first Knoxville Nationals was held in 1961, and by 1966 it had become a 3-day affair. In 1978 the track sanctioned the World of Outlaws race series, which is now the premier winged sprint car series worldwide. More divisions of cars were added in the 1980s, and in 2002 major renovations were done to the infield and track. Knoxville Nationals are now a 2-week event, temporarily raising the population from 7,313 to anywhere from 30,000-50,000 people. Sprint car racing is also a popular sport in Australia, leading Knoxville to enter into a sister city agreement with Warrnambool, Australia, home to the Grand Annual Sprintcar Classic. The National Sprint Car Hall of Fame is located at the track and is open to visitors year-round.

Originally a coal mining town, the city's major industry is manufacturing, which comprises 24% of local jobs. The industrial park on the north side of town is home to a processing and distributing plant for Hormel Foods, as well as 3M's industrial tape and adhesives plant. The BNSF railroad through Knoxville supplies the 3M plant. Weiler Products, located across town, is a local business with 196,000 ft² of manufacturing space. The company produces industrial paving equipment that is sold at CAT ® dealerships throughout North America, and is currently working on an expansion to double its manufacturing space and add over 100 jobs. Thanks to the skilled labor jobs, as well as those available at Knoxville Hospitals and Clinics, the median income is over \$41,000.

The educational needs of the community are met by Knoxville Community School District, comprised of two elementary schools, one middle school, and one high school. Knoxville High School set Coaches vs Cancer donation records for a high school group the past two years. Throughout six years of fundraising, Knoxville Coaches vs Cancer has donated over \$250,000 for the American Cancer Society. The city is also a short drive from Central College, Simpson College, Drake University, Indian Hills Community College, and Des Moines Area Community College, making Knoxville a highly desirable place to live.



Dixie Gebhardt House

## **Statistical Data**

## Population:

7,313

## **Demographics:**

96.9% White/Caucasian, 3.1% minority (African American, Asian, Latino)

19.1% over the age of 65

24.7% under the age of 18

19.1% (State average is 12.4%)

## **Geographic Area:**

4.63 square miles

## **Major Job Industries:**

24% in manufacturing 23% in health services

## **Median Income:**

\$41,958

## **Top Taxpayers:**

3M (Industrial)
Weiler, Inc (Industrial)
Wal Mart Real Estate Business Trust (Commercial)
Homestead of Knoxville (Commercial)
MidAmerican Energy (Utility)

MidAmerican Energy (Utility)
Hormel Foods Corporation (Industrial)

# **Glossary**

**CDBG / NSP**: The Community Development Block Grant through the U.S. Department of Housing and Urban Development. It is a flexible program providing cities with funds to address a number of issues in the community. The Neighborhood Stabilization Program (NSP) was developed to address blighted areas due to foreclosures and abandonment.

**CIP**: The Capital Improvement Program provides cities with a forecast of capital needs (infrastructure, buildings, etc.) to predict future budgetary needs.

**CIPP**: Cured-in-place-piping is being used for the Infiltration and Inflow project for deteriorated pipes that do not need to be completely replaced. A felt liner is pushed through a sanitary sewer line and boiled or steamed to cure the glue. Once the liner is cured, it creates a new pipe inside the old, deteriorated line.

**Comprehensive Plan**: A document that determines community goals for transportation, utilities, land use, recreation, and residential zoning. Once the Planning and Zoning Commission finalizes the Comprehensive Plan, it is sent to City Council for adoption.

**Council-Manager government**: A form of government in which elected City Council members hire a City Manager to oversee the City's day-to-day operations in place of a strong, full-time mayor.

**Debt Limit**: Iowa Code places a cap on how much debt a City can have outstanding at one time. The limit is 5% of the City's total property valuation. For example, the City of Knoxville has a total valuation of \$313 million, so the maximum number of debt allowed at any time is \$15.69 million. This includes all debt from General Obligation Bonds, Local Option Sales Tax Bonds, and any lease payments for buildings and equipment. For emergency planning purposes, the City's goal is to never have more than 85% of its maximum debt capacity outstanding.

**DNR**: lowa Department of Natural Resources. This organization acts as the State's regulatory agency for land, air, and water permitting and compliance programs.

**Expenditure**: Funds paid out by the City.

**FBO**: Fixed Base Operator. A commercial business granted permission to operate on the airport for services such as fuel sales and mechanics. The City pays an FBO to run all airport operations, governed by a City-appointed commission.

Fiscal Year (FY): The City's budget year, running from June 30-July 1.

**FTE**: Full-Time Equivalent. A unit of measure for the number of employees equivalent to full-time. For example: three employees, one working 40 hours per week and the other two each working 30 hours per week, equal 2.5 FTE.

**Fund Balance**: The amount of money in a fund (e.g. General Fund) that is not dedicated to a specific expenditure. This money is kept in case of unplanned expenditures.

**G.O. Bond**: A way for cities to pay for certain projects. A city issues debt by selling a bond which will be paid back by tax or project revenue. G.O. debt can be issued for essential corporate purposes or general purposes. Essential corporate purposes include: bridges, roads, water & sewer systems, and some urban renewal projects. These bonds can be issued without a referendum. General purposes include land acquisition and costs associated with public buildings. General purpose bonds must go through a referendum and be passed by the voters.

**General Fund**: The general operating fund for the City. City Administration, Library, Fire and Rescue, Police, Cemetery, and the Recreation Center operating expenses are paid from this fund, and most revenues from these departments are added here. The property tax levy for the General Fund is capped by the State of Iowa at \$8.10 per \$1000 in property valuation.

**I&I**: Infiltration and Inflow. Infiltration is caused by deteriorating connections and cracks in the sanitary sewer pipes. Inflow funnels storm water into the sanitary sewer system through inappropriate connections. Both cause dilution of the sanitary sewer line which decreases the effectiveness of treatment, and causes the Water Reclamation plant lagoon to overflow with untreated sewage during rain events. Knoxville is in the process of complying with an unfunded mandate regarding infiltration and inflow to conform to the 1972 U.S. Clean Water Act.

**I-JOBS**: A \$1 million grant awarded to Knoxville to help pay for the costs of the Infiltration and Inflow compliance project.

**lowa Code**: These are the governing statutes for the State of Iowa, municipal governments, and other public organizations such as school districts. It is updated annually during the legislative session from January to May.

**IPERS**: Iowa Public Employees' Retirement System. This is the State pre-funded pension fund for public employees who are not otherwise covered under another retirement fund.

Knoxville Economic Development Corporation (KEDC): This replaces the defunct Knoxville Industrial Development Corporation, which helped bring in the Weiler manufacturing plant. The organization is starting from the ground up with a \$100,000 annual contribution from the City of Knoxville for the first 3 years, a \$25,000 annual contribution from the Knoxville Water Works, and private donations from local businesses and citizens. The goal of this organization is to spur residential, commercial, and industrial growth in Knoxville.

**Levy**: A tax rate imposed upon property owners, providing the City with income to pay down debt, and to cover special areas such as the library and employee benefits. The mill levy is the combined total of all levies imposed in dollars per thousand in value. For example, a mill levy of 16.000 equates to \$16 for every \$1000 in property valuation.

**Local Option Sales Tax (LOST)**: A self-imposed tax by voters in the County to raise the sales tax by 1%. This special revenue is used to fund projects such as Downtown Streetscape.

MFPRSI: Municipal Fire and Police Retirement System of Iowa.

**Reserve Fund**: An amount of money, usually calculated as a percent of the operating budget, set aside for emergency situations such as a shortfall in revenue. Knoxville's goal is to have 10-15% in reserves for the General Fund.

Revenue: Money received by the City as income.

**Revolving Loan**: Money borrowed from the State Revolving Fund (SRF) to help pay for water and wastewater infrastructure improvements and construction. Loan payments go back to the fund to pay for other projects supported by the SRF.

**Road Use Tax Fund (RUT)**: An excise tax imposed on fuel sales and car registrations in Iowa. Funds are split among the various levels of government to pay for road infrastructure maintenance and improvements.

#### Sewer Enterprise Fund:

**SSMID**: Self-Supported Municipal Improvement District. It is a self-imposed tax by business owners in a district in order to pay for building facade improvements. Only the business owners in the district pay this special tax.

**Streetscape**: A project in the downtown area to replace rapidly deteriorating underground infrastructure and improve the aesthetics of the area. New streets are constructed over the new underground infrastructure, and brick crosswalks and new street lamps are installed.

**Tax Increment Financing (TIF)**: Tax Increment Financing is a method of reallocating tax revenues to projects in a set area. A base valuation is set, and any revenue resulting from an increase in value above the base level is reinvested to projects within that tax area for the life of the agreement (currently limited to no more than 20 years in the State of Iowa). Revenues must be spent within the boundaries of the TIF district, and cannot be used to supplement General Fund operations.

Utility Franchise Fee (UtFF): A 5% tax on all natural gas and electric utility bills.

**Utility Tax Replacement Excise Tax (UTRET)**: An excise tax levied on the distribution of natural gas and electricity.

**Vehicle and Equipment Replacement Fund (VERF)**: A fund created by the City of Knoxville to inventory vehicles and equipment, their useful life, and replacement costs. The fund is governed by a committee comprised of Administration and department directors. Each year, money is saved toward future replacement, factoring for inflation.